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Daily Report

Annex

East Asia

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East Asia
ANNEX

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Japan

U.S. President-Elect's Strategy for Ties Eyed

OW2411142292 Tokyo NIHON KEIZAI SHIMBUN in Japanese 24 Nov 92 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Article by Yasuhiro Tase, editorial board member: "President-Elect Bill Clinton's U.S. Administration Showing Signs of Changes in Strategy Toward Japan—Prime Minister's Early Visit to U.S., and Search for a Framework Starting With Dialogue"]

[Text] A paper entitled "How To Confront Japan" has shocked leaders of the Japanese Government. Since this paper was presented to President-elect Clinton on a condition that it would not be made public, the authors' names cannot be disclosed. It is reported that the paper was written by two economists of great caliber who would be invited to join the new administration, however.

Background of Strong Dissatisfaction

While pointing out the existence of serious "leadership imbalance" between Japan and the United States, this paper argues that it will be necessary for both the United States and Japan (G-2) to set forth a common concept for establishing the global economic order in the 1990's.

As far as Japan is concerned, it has the idea of G-3, which will also include Europe, but it has no preparations or any determination to deal with the concept of "G-2 leadership" as pointed out in this paper. The G-2 leadership concept was brought up against the background of a strong dissatisfaction with Japan, and, at the same time, it seems to vaguely indicate the new administration's serious position toward Japan of attempting to force it to agree to U.S. ideas in one way or another.

Prime Minister Kiichi Miyazawa, too, has read this paper with a mixed feeling. It still remains uncertain what the Clinton administration's lineup and its policy toward Japan will be. The Japanese side seems to have a premonition that there will be some changes in Japan-U.S. relations, however. Under a big framework of the cold war structure, the two countries have maintained their bilateral relations through repeated compromises.

A high-ranking Foreign Ministry official states with a sigh: "How should we deal with our future relations with the United States? We want to work out at least a framework in the current world situation. Due to the current political situation at home, it is not easy." Clinton has put the economic issue at the top of the order of priority in promoting his policies. He intends to bet his success on the first 100 days.

At an informal meeting of major members of the transition team, Clinton stated:

"Today is the first day of our campaign for the 1996 presidential election. I hope you will keep this well in mind." "Japan" is the major target for President-elect Clinton, who has already started thinking about his reelection campaign even before his inauguration. Many Americans voted for Clinton with the expectations for "changes" and "employment." Once they should realize that it was merely an illusion, rather than hating Clinton, they would probably hate Japan, the affluent nation.

During the election campaign, there was only one scholar who briefed Clinton on issues concerning Japan. He is Professor Mike Mochizuki of the University of Southern California. He is a sansei [third-generation American-born Japanese], who is 42 years of age. Mochizuki suggested that "rather than sticking to the orignal method of trying to change the Japanese system by seeking its market-opening, it will be better to consider how to increase export of U.S.-made products under the unique Japanese economic system."

In replying to our questions by phone, Mochizuki stated: "Perhaps, Clinton has listened to briefing by Professor Reish of Harvard University and others but anyway, he has surprisingly sufficient and correct information about Japanese economy."

Prime Minister Miyazawa, who is more sensitive about information on the United States than others, is now pondering on when to meet Clinton for the first time. The Foreign Ministry is studying the possibility of his visit to the United States during the long holidays in May, maintaining that "we will have to wait till what action the other side takes," and that "it will be undesirable to give an impression of Sankinkotai [alternate attendance: to control feudal lords, the Tokugawa shogunate compelled them to reside both in Edo, the capital, and in their domains alternately].

If this plan should be carried out, Japan may become the last among the major countries [to have summit talks with Clinton]. It will be rather inconvenient for Japan because it is scheduled to host the Tokyo summit. "Another alternative is to pay a visit while the Bush administration is still in power so as to express appreciation for President Bush and say hallo to President- Elect Clinton." It has been stated by aides who are close to the prime minister that Prime Minister Miyazawa should visit the United States in January.

Smooth Transition of Administration

It is quite certain that the United States is going to change. During this transition period, the transfer of administration from the Republican Party to the Democratic Party is now being carried on in a surprisingly smooth way. Reportedly, the Bush administration has informally promised to Clinton that three tasks will be completed before the new president's inauguration on 20 Janaury. They are: the North American Free Trade Agreement [NAFTA]; justifiable course for normalizing diplomatic relations with Vietnam; and the multilateral trade negotiations (Uruguay Round).

The United States and the European Community (EC) officially reached an accord at the agricultural talks right before the United States was going to impose sanctions, and the scenario for settling the Uruguay Round before the end of the year has once again surfaced. A U.S. Government source disclosed the following schedule: "The new Dunkel proposal; the EC statement on rejection; and resignation of EC Chairman Delors." The "Kabuki Play" has recently become a term on everybody's lips in the United States and European countries. As in Kabuki plays, it will be a stately play, in which a highlight scene will be created for the opposition, while the accord itself will be reached. It is strongly rumored that Delors will become a hero and run in the French presidential election next year. It is not altogether unreasonable to say that we should not make light of "French politics (French way of pursuing politics)."

If this scenario should come true, Japan would come to a standstill. There is no other alternative but to accept the package accord at the Uruguay Round. If Japan could not accept it because of the rice issue, there would be no other alternative but to reject it. Needless to say, it would be the course leading to isolation.

Lack in Sense of Tension

No sesne of such tension can be felt in Japanese politics now. We are still kept in the sad situation, in which the major task in politics is to promote political reform. Politics is not functioning so well in Japan as in the United States, which is now in a transition period.

Is it not necessary for Prime Minister Miyazawa to visit the United States without sticking to the precedent? Does it mean that it will be detrimental to Japan-U.S. relations for the prime minister to pay a visit to express appreciation for President Bush and hold talks with Clinton on the world? The best way to deepen mutual understanding lies in frequent exchanges of visits between top leaders. The age of promoting diplomacy by merely paying attention to "gifts to bring along" for the other side and "results" in the interest of domestic politics is already over now.

Talks With Russia on Nuclear Power Plants Begin

OW2411013292 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Nov 92 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Text] The Japan-Russia atomic energy talks are set to start in Tokyo on 24 November. During the talks, the Japanese Government intends to finalize safety measures concerning the former Soviet-made nuclear power plants, for which it has offered cooperation, and the two sides are expected to reach an agreement. As a long-range plan, Western nations intend to urge Russia to shut down its dangerous nuclear power plants and shift to developing safe, alternative sources of electrical power. However, it is likely that the Russian side will strongly oppose such a proposal. Moreover, it has been reported that there is also a possibility that the Russians may formally propose the sale of Russian-produced nuclear fuel, such as enriched uranium, to Japan. The Japanese side has indicated that there are difficulties in responding to this proposal.

Major Western powers have begun consultations over safety measures concerning former Soviet-made nuclear power plants, with the intention of shutting down approximately 15 Chernobyl-type nuclear reactors (RBMK-type reactors) and 10 first-generation light-water reactors (VVER 440-230 type reactors), currently in operation in the former Soviet Union and Eastern Europe. At the summit talks of the industrialized powers held last July (Munich Summit), an accord was reached on studying emergency and long-range measures, such as replacing nuclear power plants with alternate sources of electrical power. Fifteen dangerous nuclear reactors mentioned above exist in Russia.

As emergency aid, the Japanese Government is considering setting up a training center near the Novovoronezh nuclear power plant installing a small model of a nuclear reactor there, and supplying warning devices capable of detecting coolant leaks in the early stages. During the upcoming Japan-Russia nuclear talks, the Japanese Government plans to hold final consultations with the Russians on the details, such as where to set up these devices.

However, it still remains unknown what actions the Russians will take concerning the long-range measures with regard to the scrapping of nuclear reactors. It has been reported that "there seems to be no unified government policy on whether dangerous nuclear reactors should be scrapped." (according to a government source). Russian experts have become increasingly irritated by the fact that European and American experts have pointed out that with the Chernobyl-type reactors, there is a high probability of accidents. The International Atomic Energy Agency (IAEA) is currently engaged in evaluating the safety of these reactors. Moreover, the Japanese Government has obtained information that Russian military leaders wish to retain the Chernobyl-type reactors, from which plutonium can be extracted.

Joint Consultations With Russia on Nuclear Issue

Safety Discussed

OW2511103392 Tokyo NIHON KEIZAI SHIMBUN in Japanese 25 Nov 92 Morning Edition p 5—FOR OFFICIAL USE ONLY

[Text] Japanese-Russian nuclear consultations began in Tokyo on 24 November. According to a source concerned with the consultations, discussion focused on how to handle the large amount of nuclear materials that will be produced after Russia's nuclear arms are dismantled; the Russian side made a proposal to sell the highly enriched uranium, after it has been diluted, to Japan for use as fuel. Meanwhile, the Japanese Government put forward the idea that plutonium, which can be easily turned into use for military purposes, would be put to better use if it were under international control.

Regarding highly enriched uranium, which is a nuclear material produced from Russia's dismantled nuclear arms, Russia reached an accord with the United States last August on a basic plan to sell it to the United States for fuel; however, the Russian representative attending the current consultations pointed out: "Since the two sides have not yet come to terms on such conditions as prices, it is feared that the plan may not take effect." Thus, this case has clearly indicated the difficulties involved in turning nuclear materials that were used for arms to commercial use.

As for the issue of handling plutonium intended for military purposes, the Japanese Government representative pointed out that with a view to preventing proliferation, there is a move to once again bring up a plan involving joint storage for discussion. The plan was orginially studied by the International Atomic Energy Agency in the late 1970's. At the same time, he indicated Japan's position that it would be more desirable to study issues on controlling and disposing of plutonium within an international framework rather than between Japan and Russia alone.

Moreover, the issue of safety at nuclear power stations built by the former Soviet Union was brought up for discussion at the consultations, and the Russian side made the following requests: 1) Since construction of nuclear power stations is planned in the Far East region, Russia would like to obtain know-how from Japan as part of its measures to promote regional development; and 2) since different conditions can be noted at each nuclear reactor, this issue should be studied in detail and on a case-by-case basis.

Foreign Ministry Councillor Sudo, who is in charge of scientific and technological issues, and other senior officials from various ministries and agencies concerned, attended the consulations as representatives for Japan; from the Russian side, representative Konovalov [name as published], first deputy minister of the Ministry of Atomic Energy, and concerned officials from the State Commission on Monitoring Nuclear Radiation Safety attended. The consultations will last until 25 November, and meetings of experts on emergency measures to ensure safety at former Soviet nuclear power stations will be held on 26 and 27 November.

Further on Consultations

OW2511110892 Tokyo MAINICHI SHIMBUN in Japanese 25 Nov 92 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Text] Japanese-Russian nuclear consultations began at the Foreign Ministry on 24 November, and the Russian side sounded out the idea of using highly enriched uranium produced by dismantling nuclear arms as fuel for nuclear power stations in Japan. Regarding the dismantling of former Soviet nuclear arms, the United States has said that "Japan should choose Russia's uranium as fuel for its nuclear power stations," thus criticizing Japan's plan for using plutonium. As viewed from the standpoint of preventing the proliferation of nuclear materials, attention is now centered on how Japan will react.

The Russian side expressed its appreciation for what Japan had already done to ensure safety at first-generation nuclear power stations, including Chernobyl. Japan has provided cooperation in training technicians, as well as in setting up systems for detecting unusual occurrences. In addition, in its proposals for seeking further cooperation from the Japanese, Russia suggested selling nuclear fuel to Japan.

Russian representative Konovalov [name as published], first vice minister of the Ministry of Atomic Energy, and others stressed that Russia had achieved good technological results in producing enriched uranium, and that it can provide uranium at a lower price than the United States can. The Russian side has put forward a proposal for either obtaining enriched uranium from natural uranium, in which the country abounds, or for diluting highly enriched uranium produced by dismantling nuclear arms. In late August, Russia reached an intergovernmental accord with the United States on selling 500 tons of highly enriched uranium over a 20-year period; however, the Russian side disclosed at the current consultations that "as a result of failing to reach an agreement on various conditions, the plan may not take effect."

Originally, it was planned that the issue of using nuclear materials from the former Soviet Union would have been discussed during President Boris Yeltsin's visit to Japan in September. In addition to the fact that it costs huge amounts of money to dismantle nuclear arms, the major issue concerns the disposal of highly enriched uranium. Russia has tried to sound out Japan's ideas on these issues because it has failed in promoting its program for using high-purity uranium for other purposes.

The Japanese side has avoided making any concrete answers regarding a series of proposals.

Yeltsin Visit, Attendance at Summit Discussed

OW2111163992 Tokyo MAINICHI SHIMBUN in Japanese 20 Nov 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] In discussing the upcoming major industrialized nations' summit scheduled to take place in Tokyo next July, a Russian diplomatic source in Tokyo has stated: "The issue now pending between the two nations is of an entirely different nature from topics to be discussed at the G-7 talks. Even if Russian President Boris Yeltsin should visit Japan to attend the G-7 summit, this should not be regarded as an official visit to Japan." In this way, the source indicated that President Yeltsin's official visit to Japan, which has been postponed by the Russian side, should take place separately from his attending the Tokyo summit. Moreover, the same source stated that the schedule for the president's visit to Japan should be decided after various factors are taken into consideration: 1) progress in talks between the two nations and the possibility of reaching an accord; and 2) the domestic situation in Russia.

Concerning the issue of President Yeltsin's attendance at the Tokyo summit, the Japanese Government, which will host the summit, has officially emphasized that "no decision has been made yet" (according to Chief Cabinet Secretary Koichi Kato). Nevertheless, the government has begun working-level preparations regarding Yeltsin's attendance at the summit. In terms of a Yeltsin visit prior to the Tokyo summit, the government has stated: "the possibility has not been ruled out" (according to Kunihiko Saito, deputy vice minister of foreign affairs). Keeping this in mind, it is noteworthy that the Russian diplomatic source, while making his aforementioned remarks, hinted that Japan and Russia are coordinating a schedule by which Yeltsin can visit Japan before the Tokyo summit.

Article Discusses Future Ties With Russia

OW2411050492 Tokyo NIHON KEIZAI SHIMBUN in Japanese 19 Nov 92 Evening Edition p 2—FOR OFFICIAL USE ONLY

[Unattributed article from the "News Tracking" column: "Even Dialogue Remains Frozen Between Japan and Russia on the 'Territorial Issue'—No Prospects Seen for Resumption of Vice Ministerial Talks"]

[Text] Russo-Japanese relations, which remain chilled following the postponement of President Yeltsin's scheduled visit to Japan, are showing no signs of improvement. Russo-Japanese foreign ministerial talks were held in New York in September, taking advantage of the attendance of the two countries' foreign ministers at the UN General Assembly. At the talks, the two foreign ministers agreed on the resumption of working-level talks to be attended by the two countries' vice foreign ministers and on an exchange of visits by them. In this way, the foreign ministers of the two countries did what they had to do. Presently, however, no schedule has been set for the talks. Recently, the Russian president has repeatedly criticized Japan and his remarks even prompted the Japanese to say: "We have no need to invite Russia to the industrialized nations' summit (Tokyo Summit)." The future outlook for Russo-Japanese relations remain unclear.

In late October, Russian Deputy Foreign Minister Kunadze visited Japan to attend the third round of the conference on coordination of aid to former Soviet republics. Although the objective of his visit was not to discuss bilateral issues, the topic at a breakfast meeting held between senior Japanese Foreign Ministry officials, Kunadze, and other Russian officials naturally shifted to future relations.

During the breakfast meeting, the Japanese side said: "We hope to hold working-level talks within this year."

In response, the Russian side said: A "session of the Congress of People's Deputies is set to be held in December and after the session, the president is scheduled to visit China. It would be very difficult to hold working-level talks within this year."

The senior Foreign Ministry officials pressed for the working-level talks, asking: "How about after Christmas?." The Russian side declined to give a definite answer, saying: "We have only come to Japan to attend the conference on coordination of aid...."

Initially, the Japanese side saw the conference on coordination of aid to former Soviet republics as "part of the process for solution of the territorial issue," through a visit by Prime Minister Miyazawa to Moscow and President Yeltsin's attendance at the Tokyo Summit. Even though an "internationally unprecedented situation" occurred wherein Russia decided to postpone the president's visit to Japan just four days before, Japan later announced that it would provide $100 million in emergency humanitarian aid to Russia and the amount is twice what it provided last winter. The Japanese hoped for "softness" from Russia at the conference, saying: "We expect this amount of aid to yield a strategic effect."

Nonetheless, President Yeltsin, who is said to be displeased when he hears the two words Japan and Gorbachev, reportedly remarked during his visit to Britain earlier in November: "I feel good when I talk with people of a nation with which Russia has no territorial disputes." In this way, the president is showing no signs of altering his hard-line stance toward Japan. Some Foreign Ministry officials analyze: "In this respect, the president's personal, bitter feelings have delayed the resumption of working-level talks."

Even if working-level talks are resumed, there are a host of knotty issues. So far, the governments of Japan and Russia have held eight rounds of working-level talks during the Soviet era and two rounds of talks on the conclusion of a peace treaty since its collapse. A senior Foreign Ministry official said: "Speaking from the legal aspect of the territorial negotiations, the two countries have had adequate discussions."

Deputy Prime Minister and concurrently Foreign Minister Watanabe, at talks with Russian Foreign Minister Kozyrev, agreed on the resumption of working-level talks to be attended by vice foreign ministers from the two countries, taking into account a willingness on the side of Russia to hold talks with Japan on a wide range of issues including economic cooperation between the two, without focusing the talks on the territorial issue alone; and a willingness on the side of Japan to keep a channel of dialogue with Russia open. For this reason, the working-level talks, even if held, are certainly expected to run into differences between Russia, which advocates the promotion of economic cooperation ahead of discussing issues pending between two countries, and Japan which upholds the principle of not separating politics from economics.

Japan needs to closely watch how the Clinton administration will shape its Russia policy. A senior Foreign Ministry official "prophesies" that "President-elect Clinton, who advocates a share of international responsibilities, will ask Japan to expand aid to Russia."

European nations are not in a position to provide aid to Russia because of their preoccupation with domestic woes. The senior Foreign Ministry official's view is that European nations and the United States, which have no intention of providing aid to Russia, do not want to see the Yeltsin Government toppled and that "they will press Japan, which can economically afford it, for aid to Russia."

In view of these facts, Japan's relations with Russia will enter a crucial phase at the Tokyo Summit next July which will be chaired by Japan. President Yeltsin is said to have postponed his scheduled visit to Japan because of "Russia's domestic situation." In fact, however, he is believed to have put off his visit because the question was expected to be raised about whether the Tokyo Summit will be held in the form of "G-7 plus one" and whether he would be invited to the summit during his visit to Japan.

While many government officials take the view that: "Japan has to invite him to the summit out of consideration for the international community," some officials began voicing their vehement opposition to his invitation to the summit, claiming: "His visit to Japan would be of no significance" if Russia does not alter its stance on the territorial issue.

The Japanese have a deep-seated distrust of the Soviets and Russians because of the Russo-Japanese War and World War II. A high-ranking Foreign Ministry official aptly said: "They may be the underlying cause for chilled relations between Russia and Japan." It does not seem easy to normalize relations which have undergone complicated historical changes, nor to find the way to break the deadlock over the territorial issue.

Treaty Banning Conventional Arms Exports Proposed

OW2411065592 Tokyo MAINICHI SHIMBUN in Japanese 22 Nov 92 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Text] The government is studying the concept of a "treaty on banning arms exports." It is designed to regulate the export of conventional weapons, such as tanks, to countries where regional conflicts are highly likely to occur. This was disclosed by a government source on 21 November. It seems likely that as a pillar of Japan's international contributions following Self-Defense Force participation in the Peacekeeping Operations (PKO) in Cambodia, the government will actively work in relevant organizations, including the United Nations, in the future. Regulations on the export of conventional arms are already being studied in seven developed countries: Japan, the United States, and some European nations. However, the government wants to create an environment for the signing of the treaty by asking the Organization of Economic Cooperation and Development (OECD) nations, former Soviet Union, and China to join.

Regarding the seven industrialized nations' export regulations, a working-group is studying concrete measures. According to the Foreign Ministry source, it is almost certain that the regulations will cover countries against which the United Nations has imposed sanctions, such as Iran; nations highly likely to cause conflicts; and those threatening neighboring countries by rapidly expanding their military resources. Moreover, the government, in addition to conventional weapons—such as tanks, heavy weapons, and fighter planes—plans to expand the treaty's framework to include machines and equipment which are used to produce these weapons.

Moreover, it is likely that the treaty will be in line with COCOM regulations which control exports to the communist bloc, and it will be applied to the export of high-tech materials and computers—or so-called multipurpose goods which can be used for production of weapons.

It seems that a draft of these regulations will be the basis of Japan's proposal to international society for a "treaty on banning arms exports."

Regarding mass-destruction weapons, the structure of international cooperation for prevention of their proliferation—including the London Guideline (signed by 27 nations) designed to regulate the export of materials for nuclear weapons, and the agreement of Australia and Group (with 22 nations) on biological and chemical weapons—is being formed [sentence as published]. Meanwhile, the matter of making decisions on export of conventional weapons was put into the hands of each nation.

There is a movement among Asian nations, however, to build up their military power in the wake of the end of the East-West Cold War; Taiwan has decided to purchase fighter airplanes from France.

So far, 80 percent of weapon exports have been made by the former Soviet Union, the United States, France, Britain, and China. Because of pressure from military industries, many countries are negative about signing regulations on arms exports.

Among the developed nations, Japan is the only country that adopts a policy banning arms exports. Japan also made a proposal to the United Nations on the formation of a "conventional arms registration system." There is a growing view that this will be Japan's largest international contribution, exhibiting leadership in developing the registration system into export regulations.

Government, Indonesia To Provide Aid to Cambodia

OW2111004592 Tokyo NIHON KEIZAI SHIMBUN in Japanese 18 Nov 92 Evening Edition p 1—FOR OFFICIAL USE ONLY

[Text] Jakarta, 18 November—The Japanese Government has agreed with the Association of Southeast Asian Nations (ASEAN) that they will jointly provide aid to Cambodia. As the first case of providing the joint aid to Cambodia, the Japanese Government has agreed in principle with the Indonesian Government to jointly provide aid to Cambodia in the agricultural and medical areas. While Indonesia will provide personnel and technology, Japan will provide personnel and funds for the joint aid. This will be Japan's first aid through the "tripartite cooperation" and the Japanese Government plans to provide aid to Cambodia through this formula in April 1993. The Japanese Foreign Ministry, that sees the tripartite cooperation as a new type of aid which can support the "South-South cooperation" among developing nations, is now studying ways of fully introducing that type of aid.

Under the agreement reached between the governments of Japan and Indonesia, the two nations will focus their aid to Cambodia on providing technological guidance for rice growing and medical assistance. Initially, the two countries will jointly construct an agriculture training center in the suburbs of Phnom Penh and Japan will bear $3.5 million for the construction of the center.

Indonesia has technology and experiences suitable for Cambodia's weather and social situation, and taking advantage of them will provide guidance service to Cambodian agriculture specialists. To that end, Indonesia will send dozens of agriculture experts to Cambodia. Meanwhile, Japan also will send agriculture experts and bear the cost of constructing the center and travel expenses for Indonesian agriculture experts.

Japan will withdraw $3.5 million from funds that the Japanese Government has already contributed to the UN High Commissioner for Refugees. ASEAN members, with the exception of Singapore and Brunei, have already expressed their willingness to participate in the aid through the tripartite cooperation formula. Japan plans to eventually turn that type of aid into a joint aid formula between Japan and ASEAN.

Indonesia has co-chaired the international conference on peace in Cambodia and led the nonaligned movement. That country also has vigorously promoted the South-South cooperation which was set forth at the recent summit talks of nonaligned nations. For this reason, Indonesia takes a positive attitude toward aid to Cambodia.

Nation's Role in Changing East Asia Viewed

OW2411122692 Tokyo GAIKO FORUM in Japanese Oct 92 pp 45-54—FOR OFFICIAL USE ONLY

[Interview with Tadashi Ikeda, director-general of the Asian Affairs Bureau, Ministry of Foreign Affairs, by Kazuki Kasuya, chief editor of GAIKO FORUM, on 14 September 1992: "Rapidly Evolving East Asian Situation—Can Japan Open Up a New Era"—place not given]

[Text] In the wake of the normalization of relations between China and the Republic of Korea [ROK] and the sudden postponement of Russian President Boris Yeltsin's official visit to Japan, the situation in East Asia has begun to change rapidly while searching for a post-cold war new order. The director general of the Asian Affairs Bureau of the Japanese Foreign Ministry was asked about the trends in North Korea [DPRK] and Taiwan, the situation in Cambodia, where Japan has begun its contributions of personnel, and East Asia—where this reorganization is progressing—as well as the Japanese response to these situations.

Japanese Initiative Needed for Cambodian Problem

[Kasuya] Although there were complex developments, the bill was at last passed to allow the Self Defense Forces to go to Cambodia. Some worry whether Japan may be drawn into a quagmire if it does not proceed carefully. Mr. Ikeda, you have been there and have experienced some troubles. Can you relate your experiences?

[Ikeda] I was stationed in Thailand for nearly three years, during which period I concurrently served as a charge d'affaires ad interim to Cambodia. I was in charge of Cambodian affairs before the Japanese Embassy was set up in Phnom Penh. I visited the Thai-Cambodian border many times. When Prince Sihanouk set up his base in the jungle I visited him for an exchange of views. Two years ago when the first meeting on Cambodia was held in Tokyo, I had been instructed to induce the prince to attend the meeting; and I went to the Cambodia-Thai border and talked at length with him. So, I had first hand experience and feelings about the jungle areas astride the Thai-Cambodia border and the situation when the guerrilla wars were going on.

As you know, a peace agreement was signed in Paris in October of last year, whereby the four Cambodian factions, including the Khmer Rouge (the Pol Pot faction), are scheduled to negotiate hereafter—in accordance with the agreement. I believe that the larger framework for peace itself still exists, and that the nations concerned must exert themselves in order to help it survive. For the past three years Japan has been deeply involved in Cambodian problems. Before that, it was generally thought in international society that Japan's only role was to provide money in the recovery stage. That is embarrassing for Japan. Diplomatic efforts such as providing advice and making peace statements are required of Japan, in addition to financial cooperation during rehabilitation.

In accordance with the U.N. Peacekeeping Operations Cooperation Law, Japan is now able to dispatch personnel. Japan must make efforts to convince both its own people and neighboring countries about its real intentions and sincerity regarding this bill—including the dispatch of Self Defense Forces. Uneasiness and worries were expressed in some neighboring nations, but they will be erased sooner or later, since press coverage will reveal what these Japanese are actually doing over there. In that sense I am optimistic.

Concerning the Cambodian situation: At present the Pol Pot faction is refusing to disarm, and tenacious efforts are necessary to persuade the faction. I think it is necessary for Japan to continue its efforts in taking a certain initiative through thorough negotiations with the four factions of Cambodia, the United Nations Transitional Authority in Cambodia (UNTAC), Thailand, China, Indonesia and other related nations in the UN Security Council.

East Asia Begins To Respond to the Collapse of the Cold War Structure

[Kasuya] In Asia various maneuvers are currently taking place, including the normalization of diplomatic relations between China and the ROK. I have a feeling that there are many fluid elements in Asia when I look at the situation in time blocks of five to 10 years, even though they have not yet manifested themselves at present. What do you think about these maneuvers?

[Ikeda] The cold war structure has collapsed, not just in Asia but throughout the world, and it can be termed that the situation has begun to move towards a new order. That order in concrete terms is yet to be seen. This is especially so in Asia. On the Korean peninsula there were other nations assisting South and North Korea with ideological support. But now that the ideological confrontation is over, there appears to be ground for these adversaries to become friends through dialogue.

The recent establishment of diplomatic relations between China and the ROK was long expected among those specialists who had watched both countries with a view towards the long term. The only thing that betrayed their expectations was that the rapprochement came a little early. After the collapse of the cold war, it became apparent to China that economic links with the ROK are important if China is to pursue reform and open a market policy. Viewed in that light, it was thought unwise for China to be chained forever to the fetters of the past in while dealing with the Korean peninsula as it is now.

The ROK has severed its diplomatic relations with Taiwan. In China's eyes, the ROK was the only major Asian nation that supported Taiwan. In that sense, the ROK was Taiwan's last bastion. The ROK had already determined to end its relations with Taiwan, and thus China became conciliatory.

Mentioned so far were a few factors on the CNinese side. Looking from the ROK side at the same time, the regime of No Tae-u had been engaged in what it calls Nordpolitik in its attempt to normalize relations with the then Soviet Union and China at any time. Therefore it was a pre-arranged course of diplomacy on the ROK's part.

At any rate, the fact that China, with its cordial relations with North Korea, dared to normalize relations with the ROK at this stage may be understood to show that the concerned nations have started to make moves in response to the collapse of the cold war structure and those moves are far beyond our guesses. Generally speaking, it is difficult to guess which way the situation will head, whether in an orderly or disorderly direction immediately after the collapse of the cold war structure. But as far as relations between China and the ROK are concerned at least, I think they will be advantageous for peace and stability in East Asia.

[Kasuya] The ROK is making various moves, is it not, not only in its relations with China but also with Russia?

[Ikeda] It may be surmised that the regime of No Tae-u must have been planning to encircle North Korea. While proceeding with direct dialogue with North Korea, it established friendly relations with the former Soviet Union and China, both on good terms with North Korea. The latter proceeded faster than the North-South Korea dialogue.

[Kasuya] Then, is North Korea the prime strategic objective of the ROK?

[Ikeda] The ROK is understood to be bent on improving its relations with North Korea by all means. For this there is a limit to direct dialogue, and it is understood that such a method as "establishing relations with countries far away to influence the nearby country," although the expression may not fit perfectly, had been adopted by the ROK.

A Fluid Situation Does Not Necessitate New Responses

[Kasuya] What do you recommend in dealing with the Taiwan problem in the future?

[Ikeda] In my opinion Taiwan stands on a sound economic foundation. If Taiwan tries to become an independent nation, it will cause a lot of friction with the Peoples Republic of China. But I do not think such fear exists since both sides are claiming "One China."

Taiwan's per capita gross national product [GNP] is approximately $8,000, and its trade volume with Japan is far larger than that of Mainland China. Since Taiwan has such a firm economic foundation, I do not think abrupt changes will take place because of ROK-China rapprochement. I think the Taiwanese people had long expected that the ROK would establish diplomatic relations with China. But it seemed to have come a little earlier than they had expected.

Therefore, I think the situation will have fundamentally little effect on Taiwan and it will carry on as usual.

[Kasuya] Hereafter I suppose various fluid situations will take place in Taiwan and Hong Kong. Do you not think Japan should come up with some sort of new response to the situation?

[Ikeda] As for that, I do not think there is particular need for a new response, because Japan and China have a joint statement, announced on the occasion of normalization of relations between them, and the Japan-China Peace and Friendship Treaty signed after that. Within the framework they provide, Japan is able to maintain private, nonintergovernmental relations with Taiwan in a businesslike manner. As Taiwan's economy develops further, Japan's economic relations with Taiwan will naturally be strengthened, but it is fundamentally determined that Japan will honor governmental relations with the PRC and private, businesslike relations with Taiwan.

Hong Kong will eventually be returned to Mainland China. For probably all of East Asia as well as China, it is very desirable for the current economic activities in Hong Kong to be carried on in the future as they are done now. If it goes in a very drastic socialist way, factors causing much confusion will be born. In a way, Hong Kong is important for China, like a hen laying golden eggs, and at the same time it plays the very important role of a window open to Southeast Asia. Therefore I hope the Chinese government will take a cautious approach and make the least change possible in the current situation of Hong Kong.

[Kasuya] Then there is the problem of Japan-DPRK relations. There are some in Japan who do not favor severe isolation of North Korea. I understand that the Foreign Ministry has been making approaches to North Korea for quite some time. What is your perspective?

[Ikeda] We are hoping the establishment of foreign relations between the ROK and the PRC will influence North Korea favorably, not driving it in the direction of isolation but contrarily letting it to move toward the direction of normalizing its relations with such foreign countries as Japan and the United States.

Regarding negotiations between Japan and the DPRK, talks are making little progress because the problem of nuclear weapons development is interfering in the progress. If North Korea sincerely wishes to improve its relations with Japan, it could do so by definitely clearing up suspicion on nuclear issues.

Because the DPRK's biggest problem involves nuclear issues, relations with the United States could be improved earlier than expected, if these issues are resolved. North Korea, therefore, is reminded to take note of this point.

[Kasuya] At long last, various illusory images about North Korea have recently been removed, and the nation is getting real recognition; however, a certain degree of misunderstanding still seems to exist.

[Ikeda] That is correct. I wish that North Korea would become a little more transparent as a whole. I do not know for sure, but North Korea may be following the current path with good intentions, but it seems that the government is erecting the walls that exist around the country all by itself.

Russia Needs a Resolute New Response to the Asian-Pacific Area

[Kasuya] Some Japanese, in the face of recent escalating economic friction between Japan and the United States, harbor feelings that "Asia is always there for us, even if the United States is not," to avoid having the friction worsen; however, relations with the United States are closely interlocked with Asia. So the idea that Japan can get along well with Asia while it cannot with the United States must be refuted.

Russia is such a giant nation that it is a part of Asia as well as a part of Europe. Since the Meiji Era, Japan has been somehow carried on diplomacy and safeguarded its security under outside pressure from Russia. Today, when Asian problems are considered, I do not think that Japan can proceed with Asian diplomacy without paying attention to the status of both Russia and the United States in Asia.

[Ikeda] Exactly, you have gotten right to the point. The concept of relations with Asia, and not the United States, temporarily existed in pre-war Japan, and the current trend of feelings represent a continuation of that romanticism; however, present-day Japan, in its position of importance in international society and based on its economic scale, cannot choose between the two—the United States or Asia. Rather, improving relations with the United States will simultaneously bring about better relations with Asia.

[Kasuya] During the last year or two, Japanese newspapers and magazines have been playing up the importance of Asia, and the Japanese media has been more excited than other nations' media about remarks by [Malay statesman Mohamed] Mahathir.

[Ikeda] When I was in Thailand, a Thai Foreign Ministry official said that if Mahathir's concept had been announced before the war, Japan would have jumped with joy to take advantage of it. But when you look at it from present-day Japan, it is not a simple task to severe Asian relations from U.S. relations. For instance, if Japanese relations with the United States worsen, do you think relations with China, Southeast Asia, South Korea, or the Korean peninsula will improve? I do not think so; they too will worsen. In this sense, they are all inter-related.

I am saying this because present-day Asia has a sense of safety, including militarily, because of the presence of the United States. It is impossible for Japan to take over the role of the United States, so we must not have illusions on this point. For Japan, it is necessary to improve relations with Asia as well as with the United States, because these relations are compatible.

Some might say that Japan's independent role will make difficult work out of achieving these compatible relations.

As for relations with Russia, I think Asian people will probably welcome Russia becoming more closely involved in Asian-Pacific problems, if Russia intends to be a constructive partner; however, at present, they may be thinking such a move is a little premature. For example, a great number of Russian troops withdrew from Cam Ranh Bay, but it is unclear what such a Russian pattern of action means.

It is natural that Japan hesitates to trust Russia despite its wishes to have a good relationship with Asian-Pacific nations, because Russia has not sincerely dealt with the northern territories problem.

So if Russia intends to liquidate relations from the cold war days and start anew its Asian-Pacific relations, it has to show its new response with determination. If their attitude is taken to be sincere and honest by the people of this region, Russia may be gradually accepted.

Japanese-Russian Negotiations So Far Basically Not Mistaken

[Kasuya] When President Yeltsin decided to postpone his official visit to Japan, there was some criticism that the Japanese had handled the planned visit poorly. Some also had the opinion that it is disadvantageous for Japan to stick too rigidly to their position on the northern territories.

[Ikeda] I have been watching Japanese-Russian negotiations from the sidelines, and I am aware that Japan has been taking approaches toward handling various problems comprehensively, including the territorial issue; therefore I do not think such criticism is to the point. It is the way of the world to become critical when talks do not progress smoothly, but basically I do not think the approaches taken so far have been wrong.

[Kasuya] For more than 20 years, Japan has clamoured for the return of the northern territories, and Japanese public opinion conforms to one color. In my opinion, a more versatile viewpoint should have been expressed, to underline the point that the claim is a logical one.

I would like to point out another opinion which says that, as more time passes, the northern territories problem will become more favorable toward Japan. If this is the case, and if Japan persists in pushing the issue, I am afraid that a big rift may be created between U.S. and West European attitudes toward Russia and the Japanese response toward Russia, however.

[Ikeda] I understand well what you are trying to say. With full recognition of the importance of relations between Russia and the world, Japan must conduct its bilateral relations with Russia tactfully.

I do not think that Japan is proceeding too rigidly with the negotiations, however. Japan is the only country that has to deal with the territorial problem. With such difficult problems to deal with, rigid negotiations are inevitable, to a certain degree, for Japan.

I am fully aware of Russia's difficult domestic problems, but it is no small deal for a president to abruptly cancel his official visit to Japan four days before he was to arrive. Diplomatically speaking, more thought should have been given to this consideration. Of course, it is unbecoming to be too emotional, so in that sense, the cancellation of the visit was very regrettable.

[Kasuya] Because of the canceled visit, Japanese national sentiment may drift away from Russia, but it is not diplomatic to be on good terms only with nations that one likes. There must be a cooler response that can be taken. Japanese public opinion must become more mature if it wants to respond to the future's complicated international society.

[Ikeda] In diplomacy, compound eyes are always required—such cases are not limited to relations with Russia, but apply to relations with all countries. I think real diplomacy is making countries that may turn hostile because of negligence, into friendly ones.

The Asian-Pacific Region Holds New Strategic Importance

[Kasuya] Mr. Ikeda, you were appointed the director-general of the Foreign Ministry's Asian Affairs Bureau at a very important time, when East Asia is in the process of reorganizing. What do you think Japanese medium and long-range diplomatic goals toward Asia should be in the future?

[Ikeda] You say Asia as one word, but it cannot be described in one word; the degree of economic development, history, culture, and religion vary a great deal from country to country. When a farsighted leader of the Meiji Era uttered "Asia is one," it might have been a romantic and idealistic world, but in reality, the Korean peninsula, China, Southeast Asia, and Southwest Asia are considerably different. Their attitudes toward Japan also differ, by the degree of concern they have, including concerns over the war; therefore, it cannot be said in a single word that because of Asian countries' concerns Japan should not do this or that. We have to look at the Asian situation in a more delicate and refined manner.

As a familiar example, I think Asia can be compared to Japan's electoral constituency. It is very difficult for Japan to conduct its diplomacy in a worldwide sense, if we are not a nation that is supported by and that lives up to Asian countries' hopes. Japan does not always have to be to show off as an Asian representative. Our foothold will become shaky if it is not understood or supported by neighboring countries.

[Kasuya] Recently, both designations, Asia and Asia-Pacific, have been used. Which one you recommend for diplomacy's future steps?

[Ikeda] There are differences between the terms Asia and Asia-Pacific. When Japan advocated the Greater Asia Coprosperity Sphere, they meant Asia. For present-day Japan, it is easier to deal with the topic if the region is assumed to be Asia-Pacific, an important area in its new strategy.

When the term is limited to Asia, Japan is the only industrialized advanced country, and the rest are basically developing nations. Of course, at present those countries called newly industrialized economies and the ASEAN member countries are growing up quickly, with high hopes for the future; however, Japan is still the only industrially advanced nation. When the terminology is broadened to Asia-Pacific, this includes the United States, Canada, and Australia, incorporating various races—and not limited only to the yellow race.

Because the United States, Japan's most important partner, is a part of the Asia-Pacific, this makes it easier for Japan to deal with them. So I think it is better for Japan to consider the matter as Asia-Pacific.

Future-Oriented Efforts Require Liquidating the Past

[Kasuya] As for relations with Asia, bad memories from the past, represented by Asia-ism or the Greater East Asia Coprosperity Sphere, still strongly linger.

[Ikeda] Past problems tend to surface often, both implicitly and explicitly, when Japan tries to initiate future-oriented plans. The more Japan tries to launch future-oriented plans, the greater the need to liquidate past problems arises. When these problems are neatly resolved, Japanese intentions will be more thoroughly understood.

There are two reasons behind the current surfacing of problems affiliated with the Japanese, such as the issue of "comfort women." The first is that Japan has grown to be a large presence and thus its national origin and history are questioned.

Another reason is the collapse of the cold war structure. Japan is now examined less in light of its relations with the United States and Russia; thus, problems peculiar only to Japan have risen to the surface.

For example, at one time China urged Japan to use more money, about 3 percent of its GNP, for armaments to resist against what they call hegemonism; however, China no longer takes the same stand. It may be said that China's position is inconsistent, but it is necessary to understand that China at that time took that position because of confrontation between them and the Soviet Union.

Anyway, we must deal with problems from the past while correctly recognizing history, without distorting the facts. This sort of attitude reflects a country's composure and dignity; therefore, I think that Japan has to emphatically explain that what it is going to do in the future is intended for developing international society, and it has nothing to do with the past.

MITI To Develop Computing System With Europe

OW2111004392 Tokyo YOMIURI SHIMBUN in Japanese 16 Nov 92 Evening Edition p 1—FOR OFFICIAL USE ONLY

[Text] The Ministry of International Trade and Industry [MITI] has stated its goal of developing a real world computing system (RWC: the fourth dimension computer) [as published], capable of carrying out high-level reasoning in such ambiguous and complicated areas as voice identification and production and weather forecasting by high speed information processing. The MITI made clear on 16 November that Japan has agreed to participate in the "European Research Center for Mathematical Information" (ERCIM) organized by the top national and public research institutions of nine European countries. This is the first time that major European research institutions have participated in a large-scale project Japan plans to promote, and their participation in the project is drawing attention as a model case for international joint research project participation to develop high technology. Representatives of the ERCIM will visit Japan this week to hold discussions with the "General Research Institute for Joint Technological Research on New Data Processing," which is charged with carrying out this research project, and also with MITI about specific ways to promote the research project.

The members of the ERCIM, the think tank of the EC, are research institutes in nine European nations—which include the National Information Processing Research Institute in Germany, the Information Automation Technology Research Institute in France, and other research institutes in Great Britain and Sweden.

The member nations of the EC have long debated the ERCIM's participation in the research project, because of their apprehensions that Japan might unilaterally utilize research achievements such as patents and copyrights. Nonetheless, the ERCIM has decided to participate in the research project after Japan indicated that, in principle, the research achievements would be provided to the ERCIM.

The ERCIM has highly rated the MITI's promotion of high technology development, including fifth-generation computers. Other industrialized nations are still exploring ways to develop RWC; and it is too costly and risky for Japan to develop RWC independently. It is for these reasons, it is believed, that Japan has asked the ERCIM to participate in researching and developing the RWC.

The joint research development will be an "epoch-making one" because research institutes in both Japan and Europe are connected via a computer network so that they can exchange research information (according to the MITI).

Series Notes Upcoming Talks on Rice Tariffication

Part I. Uruguay Round

OW2311235692 Tokyo NIHON KEIZAI SHIMBUN in Japanese 22 Nov 92 Morning Edition p 1—FOR OFFICIAL USE ONLY

[Article by reporters Kusaka in Brussels and Matsui in Washington: First in a two-part series: "Prospects for New Round Becoming Clearer": "U.S., EC Leadership Strengthened—Rice-Market Opening Issue Facing Critical Moment"]

[Text] The United States and the European Community (EC) have concluded their agricultural talks, and the route toward the early settlement of GATT's multilateral trade negotiations (Uruguay Round) is in sight. With the United States and the EC reaching an accord, the multilateral talks will resume as early as this week in Geneva, and final consultations aimed at the basic agreement by the end of the year will begin. If the new round, which once faced mid-air disintegration, is concluded, it will be good news for the sluggish world economy. Meanwhile, as far as Japan is concerned, the accord reached between "the two poles"—the United States and the EC—indicates that unprecedented pressure will now be put on Japan to accept the "tariffication," which will eventually lead to the opening up of its rice market.

"It is of great significance that the trade war with the EC can now be avoided. It should now enable us to press forward with the new round of talks." This is what President George Bush stressed when he announced on 20 November that the United States and the EC had reached an accord at the agricultural talks.

Device for Averting Crisis

On 20 November, the following day after the U.S.-EC ministerial talks in Washington, the two sides abruptly reached an accord at the agricultural talks. At the ministerial talks, "some issues still remain for final consultations," (as stated by Frans Andriessen, EC vice chairman). However, it was explained that "President Bush made the final decision," (according to a concerned source).

The Uruguay Round, which began in 1986 with a view to establishing new rules for free trade in extensive fields, including the services sector and agriculture, faced breakdown as it greeted its seventh year.

In particular, confrontation over the issue of reducing production of oilseeds (such as soybeans and rapeseeds), which is not directly connected with the new round itself, have made the U.S.-EC talks complicated. After the United States announced its plan for sanctions against the EC on this issue in early November, tension intensified, and there was a possibility of it developing into a "trade war."

At this juncture, the world economy is suffering from the most serious problems since the oil crisis. Arthur Dunkel, GATT director-general appealed: "Both the United States and the EC share a great responsibility for maintaining the multilateral trade system." And business circles in Europe raised the criticism: "With this important global economic situation, what on earth are the United States and the EC trying to do now?" (according to a source at the European Industrial Union.)

It has been observed that the two sides were able to reach an accord because the U.S. side made greater concessions on the issue of oilseed reduction. On the other hand, the EC decided to push France, which had persisted in opposing any concessions. In this connection, "the device for averting the crisis worked at the last moment," stated an EC source in Brussels.

It is said that once an accord is reached at the new round, annual trade will increase by $200 billion a year. On receiving the news concerning the U.S.-EC accord, New York stock prices increased by 17 points on 20 November. The market has quickly responded to this positive trend.

The Asian Market As a Target

The future of the new round is still in a state of flux. However, as a result of the accord reached between the United States and the EC, the GATT will now move its stage to Geneva and start multilateral negotiations as early as this week. It has been observed that Director-General Dunkel is aiming at concluding a basic agreement before the end of this year or early next year.

As a result of the current accord, it has been observed by those concerned with the GATT that at the multilateral talks, "the leading role of the United States and the EC are bound to be strengthened."

Take the services sector as an example. In the joint U.S.-EC statement announced on 20 November, it is stated: "The United States and the EC have agreed on the policy of taking joint measures, and it is hoped that other countries will improve their own proposals." Concerning this statement, a Japanese Government source stationed in the United States points out: "The United States and the EC have declared openly that they will form a common front in the services sector, in which they share common interests." As the United States has made concessions in the agricultural field, its interest in the talks on financial services is now growing rapidly. Its largest target is set at the opening up of the Asian financial market centered on Japan and the ROK, and there is a possibility that it will act in concert with the EC in dealing with this issue. On the other hand, they seem to be jointly moving toward asking to separate the talks on such services sectors as telecommunications and maritime transportation from the talks on the package agreement. While taking great interest in the issue on opening up markets which is in the interests of both sides, the United States and the EC may neglect talks on those fields in which they have conflicting interests.

"To Accept or To Leave"

Then comes the agricultural issue, which is of greatest concern to Japan. The United States and the EC have agreed on cutting export subsidies from 24 percent as set in the draft package accord to 21 percent. The two sides maintain that "there will be no changes to the basic framework worked out in the draft package accord (the Dunkel Document)," (according to an EC commission source). Their position indicates that even if Japan should ask to make rice an exception to "tariffication without exception," its request will not be accepted.

On 20 November when the United States and the EC reached a settlement at the agricultural talks, a staff member of President-Elect Bill Clinton concerned with trade said: "Japan no longer has the rice card."

This means that as the U.S.-EC talks have been settled, Japan may shift to struggle over conditions with a view to seeking measures that will be favorable to itself in connection with the opening up of its rice market. However, such a strategy will no longer work. The same staff member made the following assertion: "The alternatives left for Japan now are either to accept the demand to open up its rice market or to leave the agreement reached at the new round."

U.S. Trade Representative Carla Hills and others said unanimously: "When the U.S.-EC talks are settled, then comes Japan's rice issue." Now that the Uruguay Round is moving toward an early settlement, it has become unavoidable for Japan to make an early resolution on the rice issue.

Part II. Rice Import Liberalization

OW2311235792 Tokyo NIHON KEIZAI SHIMBUN in Japanese 23 Nov 92 Morning Edition

[Article by Economic News department reporter Kashibara: Second in two-part series: "Prospects for New Round Becoming Clearer": "Japan Lags Behind Trends—Japan May be Isolated Because of Its Adherence to Rice"—received via Nikkei Telecom database]

[Text] "How long will the government continue to deceive the people?" This was the comment of a senior Economic Affairs Ministry official criticizing the Japanese Government's official view that Tokyo will demand the revision of tariffication without exception after the United States and the European Community (EC) reached an historic accord at their agriculture negotiations.

As for Japan-U.S. negotiations on oranges and beef, which were concluded in June 1988, the Ministry of Agriculture, Forestry, and Fisheries [MAFF] continued afterward to resist the liberalization of their import, claiming that "it is difficult to liberalize their importation." Since the beginning of this year, however, MAFF has prepared documents concerning the liberalization of rice imports as it did for the liberalization of beef imports at the time.

On the liberalization of rice imports, there has been a view within the government for nearly 10 years that the "opening of the Japanese rice market is inevitable." The Agriculture Trade Committee of the GATT, which has examined ways to strengthen trade rules on farm products since the early 1980's in a bid to lay the groundwork for a new round of the multilateral trade negotiations, also looked at making the minimum import quantity (minimum access) of various farm products mandatory. According to a Japanese official involved in the negotiations at the time, experts in the Japanese Government argued that the "government should examine whether or not Japan can import rice to meet part of the increased domestic demand for rice."

Earlier this year, Chief Cabinet Secretary Kato requested MAFF to survey the effects of rice tariffication on Japanese rice growers. Reacting to the request, MAFF said: "If Japan accepts rice tariffication, it should first amend the Food Control Law. In the present political circumstances in which the House of Councillors is dominated by opposition parties, the government cannot accept rice tariffication and hence there is no need to conduct such a survey."

It is true now, however, that MAFF is moving toward accepting rice tariffication with conditions, faced as it is with the harsh reality of the U.S.-EC negotiations.

The conditions being discussed among the government ministries and agencies involved include an amendment to the draft comprehensive accord (Dunkel Paper) which is seen as a "trap," revising the calculation formula for high-rate tariffs and the reduction rate, and strengthening emergency measures (special safeguards) for import restriction in cases of sudden increase in rice imports. These "conditions" are only an alternative plan for the Japanese Government when it presents its official view.

A senior Foreign Ministry official points out that "as time passes, the scope of agreement reached at the negotiations becomes wider, thereby narrowing differences." This is correct at the new round of negotiations as far as the rice issue is concerned. Now, many people harbor doubts about the Diet's resolutions calling for the achievement of self sufficiency in rice. Discussions at the GATT shifted from minimum access to tariffication while the government delayed a decision on opening the Japanese rice market because of political pressure from parliament. Japan has claimed that "exclusion must be recognized in tariffication." However, the number of nations supporting Japan's point of view is certainly dropping.

A senior Foreign Ministry official said: "If the Japanese Government continues to take a basic policy of opposition without exception to tariffication, it will be unable to enter in-depth talks with the United States and the EC. The question is whether the government makes a high-level political decision." His feeling is shared by other government officials.

The United States and the EC managed to reach an accord by making high-level political decisions at the crucial phase of negotiations. By contrast, Japan, which is being driven to the edge of the ring [dohyogiwa] to make a final decision, remains undecided. Leaders of the present government and the LDP can be compared to irresponsible presidents of companies who are obsessed about intra-company disputes over personnel matters and do nothing to raise funds and streamline their companies in the face of impending bankruptcy.

Yoko Sasanami, a professor at Keio University said: "Trade systems like the Super 301 provision of the Omnibus Trade Act, which allows for unilateral, retaliatory measures, will be up for discussion at the new round of the multilateral trade negotiations. In other words, the multilateral trade negotiations are something like UN peacekeeping operations for global trade."

She said: "The rice issue has been too politicized and this may lead people to miss the positive results from the negotiations."

The new round of the multilateral trade negotiations is going so far as to implement a protective system for intellectual property rights, rules for overseas investments, and regulations for the services sector. Although these global trade rules are important for enterprises operating overseas, they have not previously existed. The overhaul of global trade rules is estimated to have the economic effect of boosting the world's GNP by between $2 trillion and $5 trillion over the next 10 years. The overhaul of world trade rules is also expected to provide opportunities for economic growth in developing and former communist bloc countries that are seeking their access to the markets of industrialized nations.

At the new round of negotiations on opening the markets for mineral and industrial products, the Japanese Government submitted to the GATT secretariat in March this year plans to abolish tariffs on 1,000 industrial items, including industrial machinery, and to lower tariffs by an average of 50 percent on about 6,500 industrial items. Japan plans to further lower what is already the world's lowest rate of tariffs on industrial products by 1.5 percent.

While Japan, which has so far been unable to resolve the rice issue, missed an opportunity with the agriculture negotiations, the United States and the EC compromised with each other on services and other broad-ranging areas aside from agriculture. As a result, Japan's passive stance will become noticeable at negotiations on opening the markets for agriculture products and financial business.

A view is developing that the issue of tariffication without exception for agriculture products will not be settled by negotiations among nations, but will have to be left to the mediation of Director General Dunkel. If that happens, according to a senior official at the Ministry of International Trade and Industry, Director General Dunkel is highly likely to ask nations involved in the negotiations whether they accept or not a "package mediatory deal" which covers agriculture, services, intellectual property rights, and tariffs on mineral and industrial products.

If Japan rejects the package mediatory deal, it would certainly be isolated from the rest of the world, as France is isolated from the rest of the EC member nations.

LDP Council Chairman Opposes Rice Liberalization

OW2311203792 Tokyo ASAHI SHIMBUN in Japanese 23 Nov 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] While speaking on an Asahi Television program on 22 November, Yoshiro Mori, chairman of the Liberal Democratic Party's Policy Research Council, touched on the fact that liberalization of Japan's rice market is becoming a focal point of the Uruguay Round (GATT's multilateral trade negotiations). He added: "Our doctrine is to say 'no' (to the tariffication of rice)."

He then said: "Japan still needs to hold discussions with the United States and the EC. If a settlement is worked out in final consultations between the concerned parties, not even GATT Director General Dunkel will be able to say 'no.'" In this way, he explained his view that Japan should meet with the United States and the EC separately to promote their understanding of Japan's position before the final round of the multilateral negotiations gets under way.

Editorial Urges Miyazawa To Decide on Rice Issue

OW2411150492 Tokyo YOMIURI SHIMBUN in Japanese 22 Nov 92 Morning Edition p 3—FOR OFFICIAL USE ONLY

[Editorial: "It is Time To Make a Decision To Open Up the 'Rice' Market"]

[Text] It has become likely that the multilateral trade talks (Uruguay Round) which have been deadlocked will now start to move toward an early settlement now that the United States and the EC have arrived at an agreement on the agricultural issue, which has so far been a major obstacle to the talks.

This means that tariff duties that the United States announced it would impose on EC-produced oilseeds as sanctions will not be imposed. If the negotiations had ended in failure, a retaliatory battle would have ensued, which could have resulted only in the expansion of protectionst trade and regionalism. That being the case, we would like to welcome the agreement by the two parties.

Now Japan's rice market liberalization issue will become the focus of attention. Japan must contribute to the successful conclusion of the GATT's Uruguary Round by announcing acceptance of rice tariffication. To do so will be the only natural international obligation for Japan as a beneficiary of the GATT system. It will also be necessary to improve the rice farming structure and thus enable rice farming to survive.

The Uruguary Round is aimed at adopting ambitious trade rules which cover not only farm products, but also the service trade sector. The Uruguay Round is essential to envigorating the world's economy. We hope the nations participating in the talks will make their meeting opening this week the restarting point for the talks and will conclude the six-year long process by speeding up the talks in all sectors.

Among EC members, France, with its general elections set for next March, remains opposed to the agreement at this time, but all other nations should get together to persuade France to accept it from a broader perspective.

Meanwhile, Japan's policy is to maintain that rice should be excluded from tariffication. Japan thinks that the agreement between the United States and the EC will lead to a revision in the final draft of the Uruguay Round agreement, and the government is hoping for a free ride on this step toward revision.

But "tariffication without exception" is the unshakable current within the majority of nations, including the United States and the EC. What would happen if a final agreement on the Uruguay Round gets delayed or aborted because of Japan's objections to tariffication? Forget about Japan becoming isolated internationally—there will almost certainly be a serious blow to rice farming as well.

The impact that rice tariffication—as envisaged in the draft agreement—will bring on Japanese farmers will not be as serious as the forecast given in the bilateral talks between Japan and the United States. Japan should accept tariffication, and then begin negotiations on conditions regarding tariff rates so that the rice market may be opened without major confusion. Japan must also hurry and come up with ways to improve competitiveness in rice farming based on the premise that the market will be opened.

While these are the given conditions, the country's structure at present is not ready at all to meet and deal with rice market liberalization.

In fact, some people have indicated that within the government there is a move to study conditions for accepting tariffication—albeit informally—but they have also added that this idea cannot be presented for negotiation because of expected difficulties in adjusting views under the given situation, when the political world is in pandemonium. Actually, so far, both the ruling and opposition parties have made the Diet idle, not caring at all what happens to the Uruguay Round. If Japan keeps on acting this way, it will let an opportunity slip by that would enable the rice issue to make a soft landing internationally.

Prime Minister Kiichi Miyazawa is responsible for making a decision on the question of rice market liberalization without any further delay and for trying to lead negotiations toward Japan's advantage by persuading rice farmers as well as ruling and opposition parties.

No doubt, the foundation of the government is now being shaken because of strife within the Liberal Democratic Party's Takeshita faction. But if the prime minister is thinking about waiting until the Tokyo Sagawa Kyubin fever cools down to make a political decision, then it will mean making a grave error both domestically and internationally.

Editorial Urges Acceptance of Rice Tariffication

OW2511012392 Tokyo ASAHI SHIMBUN in Japanese 22 Nov 92 Mornig Edition p 2—FOR OFFICIAL USE ONLY

[Editorial: "Japan Should Not Impede New Round Because of the Rice Issue"]

[Text] Leaders of the United States and the European Community (EC) may have been aware of the danger of disrupting the free trade system. The "dispute over farm products across the Atlantic" has been settled and the stalled multilateral trade negotiations will be resumed.

For Japan, which cannot survive without trade, these developments deserve to be welcomed. On the other hand, the Japanese Government, which has deferred a decision on the issue of liberalizing rice imports, will be pressed to make a decision on it.

The success of the new round of multilateral trade negotiations is indispensable for ending the spread of economic regionalism and protectionism, and preserving and strengthening the multilateral and free trade system. This time, the Japanese Government should participate in the negotiations with a positive attitude and work for a general agreement within this year.

The new round of multilateral trade negotiations, which have continued for six years, is coming closer to final agreement following GATT Director General Dunkel's compilation of a draft comprehensive agreement toward the end of last year. What has hampered conclusion of the agreement is the dispute between the United States and European nations over the export of subsidized farm products.

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East Asia

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Japan

'Realistic Approach' on Rice Issue Suggested

OW2511052892 Tokyo KYODO in English 0524 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Foreign Minister Michio Watanabe indicated Wednesday that Japan may have to take a "realistic approach" on the opening of its rice market to help conclude the Uruguay Round of global trade negotiations.

Watanabe told a House of Representatives Budget Committee that there is "no contending against heavy odds in multilateral talks" and that Japan will be "pressed to make a hard choice."

"The ruling party has to think of a way that would be good for Japanese farmers and for the national economy," he said.

Watanabe also said the free trade principles applied to industrial goods cannot be applied to agricultural products, indicating that some protection for agriculture will continue to be necessary.

Japan, which argues that it must ban imports to protect the domestic rice industry so as to safeguard its self-sufficiency in rice, its staple food, has opposed proposals by the General Agreement on Tariffs and Trade (GATT), which is overseeing the Uruguay Round, to replace import restrictions with tariffs.

The United States, under strong pressure from its farmers, has pressed Tokyo to open its rice market.

The issue is coming to a head with the resumption of talks by GATT expected in Geneva shortly following the settlement of a dispute on farm trade between the United States and the European Community (EC).

Kozo Watanabe, international trade and industry minister, told the committee that in the agricultural field, Tokyo should "strongly claim its difficult position" in GATT.

He brushed aside suggestions by Minoru Mizuta of the Social Democratic Party that there are differences within the ruling Liberal Democratic Party (LDP) over the rice issue, saying all the members of the cabinet of Prime Minister Kiichi Miyazawa share the same view.

The LDP, rocked by a money and mobster scandal, is in a dilemma, since the liberalization on rice imports might cost it the backing of farmers, who are one of the party's main pillars of support.

On Tuesday, Farm Minister Masami Tanabu and Finance Minister Tsutomu Hata both said the ban should be retained. Hata said the government should make every effort to have rice made an exception under the trade round. Miyazawa ordered senior officials to resolve differences over whether Japan should lift its ban on rice imports to help conclude the Uruguay Round.

Ministries To Discuss Dealing With GATT Talks

OW2511113192 Tokyo KYODO in English 1121 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—The government will hold a cabinet meeting shortly to discuss how to deal with world trade talks which have been stalled for nearly six years, a government spokesman said Wednesday.

Speaking at a press conference, Chief Cabinet Secretary Koichi Kato said foreign and agriculture ministers along with trade and finance ministers will be invited to the meeting.

Kato did not speak specifically about topics of discussion, but the meeting is widely expected to focus on Japan's near-total ban on rice imports.

With a trade war between the United States and the European Community averted with their weekend accord on farm subsidies, Japan is now under pressure to help wrap up successfully the Uruguay Round of trade talks under the General Agreement on Tariffs and Trade (GATT).

But Japan has been criticized for its opposition to a GATT-proposed conversion of nontariff import barriers to tariffs that would be progressively reduced.

Asked for prospects for the stalled GATT talks, Kato said progress in winding up the talks depends on a timetable to be offered by GATT Director General Arthur Dunkel at Thursday's meeting of the Trade Negotiations Committee (TNC) in Geneva.

But Kato indicated that it would take time for Japan to make a decision on the rice issue, saying that "we want to be given time to explain Japan's position."

The U.S-EC farm dispute had been a major obstacle in the GATT talks as the EC had refused to bow to U.S. demands for deeper cuts in its subsidies to oilseed farmers and on agricultural products in general.

Firm Files Patent Infringement Suits in U.S.

OW2511062392 Tokyo KYODO in English 0609 GMT 25 Nov 92

[Text] Osaka, Nov. 25 KYODO—Japanese pharmaceutical manufacturer Tanabe Seiyaku Co. and its U.S. affiliate have jointly filed patent infringement suits in the United States to protect its drug for the heart and related circulatory organs, Tanabe said Wednesday.

The suits accuse U.S. drug marketing firms Mylan Laboratories Inc. and Copley Pharmaceuticals Inc., as well as bulk suppliers Profarmaco Nobel Srl of Italy and Orion Corporation Fermion of Finland, of patent infringement, Tanabe officials said.

The suits, filed by Tanabe and Marion Merrell Dow Inc. with U.S. district courts in Boston and Pittsburgh, charged that Tanabe's U.S. patents for production technology of the drug Diltiazem were violated when a similar drug was put on sale in the U.S. earlier this month.

The suits demanded a halt to drug production with the patented technology.

Marion Merrell Dow imports the drug in bulk form from Tanabe for U.S. marketing under the brand name Cardizem for treatment of heart trouble and hypertension.

Assemblymen Demand Return of Futenma Airfield

OW2511102792 Naha OKINAWA TIMES in Japanese 20 Nov 92 Morning Edition p 2

[Text] Tokyo—A helicopter accident involving U.S. Forces took place at the U.S. Marine Corps Futenma Airfield in Okinawa on 20 October. In connection with this accident, a prefectural assembly delegation headed by Seichu Kikuya (of the Liberal Democratic Party) called on the Foreign Ministry and the U.S. Forces Japan [USFJ] Headquarters on 18 and 19 November and requested that a thorough investigation into the cause of the accident should be launched; that results of the investigation be made public to prefectural residents; and that Futenma Airfield be returned at an early date.

During their visits, while stating that there will be no major readjustment or curtailment of military bases located on Okinawa within the short period of time following the transfer of governments, Air Force Major Brian Hoy [name as published] of the USFJ Headquarters stated in his reply: "The request for returning the bases made by the governor during his visit to the United States is still under consideration in Washington." At the delegation's news conference given at the prefectural government's Tokyo office after their visits, delegation leader Kikuyama stressed: "Taking advantage of the change of administration, further requests must be made for the sake of protecting the lives and property of prefectural residents."

Meanwhile, Hiroshi Ooe, chief administrative official of the SOFA [Status of Forces Agreement] section of the Foreign Ministry's North American Affairs Bureau, persisted in his original position that because of SOFA, it is difficult to demand the U.S. side suspend its training of aircraft take-offs and landings. Touching on issues concerning the return of Futenma Airfield, as well as the function of military bases on Okinawa, he stated his views that there would probably be no change in the current situation.

At the news conference, delegation leader Kikuyama stated that accidents will probably take place in the future and said: "Regarding Futenma Airfield, which is located in a densely populated area, there is no other alternative but to demand its return. More positive measures should be taken to ask the U.S. Government for its return."

Tokyo on Rescheduling of Yeltsin Visit, Clinton

OW2511051592 Tokyo KYODO in English 0506 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Foreign Minister Michio Watanabe said Wednesday the government is seeking to reschedule the visit to Japan of Russian President Boris Yeltsin ahead of next July's Tokyo summit of the Group of Seven (G-7) leading industrial nations.

Watanabe told the Diet that the government has been discussing "quietly and secretly" with Russia through various channels to bring about an environment conducive to Yeltsin's visit.

Watanabe made the remarks in answering questions from a Social Democratic Party member at the Budget Committee of the House of Representatives, which started deliberations last Friday.

On the disputed Russian-held four islands off Japan's northernmost main island of Hokkaido, Watanabe reiterated that Japan will deal flexibly with the timing of the return of the islands if Russia admits Japan's sovereignty over them.

Japan demands the return of the so-called northern territories—Etorofu, Kunashiri, Shikotan and the Habomai group of islets—which were seized by the former Soviet Union at the end of World War II and has refused to extend any substantial economic aid to Russia unless the territorial issue is solved.

Yeltsin's abrupt postponement of his scheduled visit to Japan last September, however, dashed Japan's hope that the two countries could make a breakthrough on the issue.

Turning to relations with the United States, Watanabe brushed aside worries that U.S. President-elect Bill Clinton's administration may take a tougher stance toward Japan.

He said he does not think that Clinton's differences of opinion with U.S. President George Bush during the election campaign would emerge as real policy.

Watanabe forecast that the Clinton government will not easily invoke the so-called Super 301 Trade Act provisions.

The Super 301 authority allows the administration to investigate alleged unfair trade practices by other nations and to punish them if they fail to remove trade barriers after negotiations.

Watanabe stressed instead the need to promote further dialogue with the new U.S. Government, saying Japan should not overreact to a possible tougher U.S. external stance.

The foreign minister added Clinton will not find it easy to solve such issues as the handling of China's most-favored-nation trading status and cutting the U.S. budget deficit.

Envoy: Yeltsin Visit Postponed, Not Cancelled

OW2511131492 Tokyo KYODO in English 1249 GMT 25 Nov 92

[Text] Sapporo, Nov. 25 KYODO—Russian Ambassador Lyudvig Chizhov said Wednesday the creation of friendly, neighborly relations between Japan and Russia benefit the rest of the world.

Chizhov was speaking at a ceremony commemorating the inauguration of a Hokkaido Japan-Russia Association.

He stressed that friendly relations are needed in the working level development of the Russian Far East, adding that Russia is not prepared economically to develop the region, even though it is rich in natural resources.

The ambassador indicated that he looks forward to Hokkaido's cooperation in this direction.

Chizhov stressed that the abrupt calling off of President Boris Yeltsin's trip to Tokyo in September was "a postponement and not a cancellation," and called for progress in relations without emotionalism.

Russia, Tokyo Hold Bilateral Nuclear Issue Talks

OW2511123992 Tokyo KYODO in English 1210 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—North Korea has requested Russia to resume suspended assistance for its nuclear power program, Russian Government nuclear experts were quoted as saying here Wednesday.

Foreign Ministry officials said officials of Russia's Foreign Ministry, the Ministry of Atomic Energy, and the State Committee for the Supervision of Nuclear and Radiation Safety, made the revelation in bilateral talks here on nuclear issues, which began Tuesday [24 November] and are scheduled to last through Friday.

The Russian officials were quoted as saying Pyongyang wants cooperation resumed with regard to four nuclear plants for electricity generation that were previously under construction with Soviet assistance.

The former Soviet Union suspended cooperation in 1985 in connection with North Korea's previous reluctance to accept inspections of its nuclear facilities by the International Atomic Energy Agency (IAEA).

Japanese officials noted that the IAEA had previously only reported that three nuclear plants were under construction with Russian help.

Pyongyang is also said to have called for Russian cooperation in uranium mining and for the training of nuclear energy specialists.

They reportedly said Russia would want to ensure that there are safeguards in place so that know-how and technology transferred to Pyongyang would not be put to military use.

Another factor would be whether the proposals would have economic merit for Russia, they said.

Officials said both the Japanese and Russian delegations expressed a desire to see North Korea dispel international concerns about its nuclear program by implementing an agreement with South Korea providing for mutual inspections of nuclear facilities.

Officials from Japan's Foreign Ministry, the Ministry of International Trade and Industry (MITI), and the Science and Technology Agency participated in the talks with the Russians on the production and harnessing of nuclear energy.

The Russians also revealed plans to build a nuclear power plant in the Russia Far East region, probably in the vicinity of Khabarovsk, officials said.

The Japanese and Russians also discussed the promotion of further Japanese assistance to Russia for enhancement of safety measures at nuclear facilities.

At the last such meeting in Moscow in October 1991, Japan offered to invite 1,000 Russian nuclear plant operators to Japan over a 10-year period for training in areas of Japanese expertise, such as safety.

Russia Offers To Sell Uranium From Weapons

OW2511143992 Tokyo KYODO in English 1416 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Russia has offered to sell Japan low-grade uranium obtained from dismantled nuclear weapons for use in nuclear reactors and provide uranium enrichment services, Japanese officials said Wednesday.

But Japan was negative on the Russian overture, made in bilateral talks on nuclear energy topics that began Tuesday and are due to last through Friday, according to the Foreign Ministry officials.

The Japanese side said Japan's electric power companies have already secured their nuclear fuel needs until around 2000, the officials said.

Japan imports most of its enriched uranium from the United States.

During the talks, Russian officials said Russia could enrich uranium at a lower cost than the United States, but the Japanese replied it is more important to be assured of a stable long-term supply.

"It's difficult now to determine whether Russia can provide a stable supply of nuclear fuel in the long run," one Japanese official was quoted as telling the Russians.

On other topics, the Japanese proposed an international system to manage plutonium from dismantled Russian nuclear weapons, but their counterparts said Russia plans to store them by its own for the time being.

Freighter Investigated After Call at Kunashiri

OW2511084792 Tokyo KYODO in English 0537 GMT 25 Nov 92

[Text] Sapporo, Nov. 25 KYODO—Maritime Safety Agency investigators last week boarded and inspected a freighter chartered by a Japanese trading house suspected of defying a government ban on trade with the Russian-held island of Kunashiri, officials said Wednesday [25 November].

The investigators also questioned the Japanese captain of the freighter Atlantic Reefer, which made an emergency port call on November 20 at Hanasaki Port in Nemuro, Hokkaido, after visiting the port of Yuzhno-Kurilsk (called Furukamappu in Japan) on Kunashiri, the officials said.

Kunashiri is the largest of the four Russian-held islands off Hokkaido which are claimed by Japan. The four islands were seized by the Soviet Union at the end of World War II in 1945.

Tokyo has discouraged business firms and individuals from visiting or trading with the four islands without its special permission, as it said this might amount to recognizing Moscow's sovereignty over the islands.

The investigators found a contract document under which the trading house contracted to import cargoes of sea urchin harvested in waters surrounding the four northern islands, they said.

The 299-ton freighter departed from Aomori on October 29, heading for the Russian island of Sakhalin. However, the ship later changed its destination and made a port call at Kunashiri three days later, the agency said.

The freighter returned to Hanasaki last Friday to load food supplies after waiting in vain for 20 days for the arrival of sea urchin cargoes, which the trading house had contracted to purchase from a joint venture of Russia and the United States.

The freighter departed from Hanasaki on Saturday after pledging to return to the port within a week. The agency believes the freighter headed for Kunashiri again in defiance of the government ban, the officials said.

An agency official said, "though such trade does not break any laws, importing products harvested in waters surrounding the northern territories is not recommendable, as it is tantamount to recognizing Russian sovereignty."

Kato Hopes for 'Amicable' Hong Kong-PRC Ties

OW2511035892 Tokyo KYODO in English 0328 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Japan expressed the hope Wednesday that China and Hong Kong will arrive at an amicable agreement on the "direction and speed" of democratization of the British colony, which is to return to Chinese rule in 1997.

Chief Cabinet Secretary Koichi Kato made the remark shortly before Hong Kong Gov. Chris Patten was due to arrive in Japan for a three-day visit as a Foreign Ministry guest.

Kato told reporters that Prime Minister Kiichi Miyazawa and Foreign Minister Michio Watanabe do not plan to mention Patten's proposals for democratic reform during their meetings with him.

Japan has distanced itself from the heated dispute over the proposals between Hong Kong and China, which has accused Patten of violating a basic agreement guiding the return of Hong Kong to Chinese rule.

Patten's proposals would expand participation in democratic processes by allowing Hong Kong citizens to elect a majority of the colony's legislature in 1995, either directly or indirectly.

Japan has expressed general support for democratization of Hong Kong but has declined comment on Patten's plan.

Tokyo, Beijing Plan Environmental Coal Study

OW2511112892 Tokyo KYODO in English 1028 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—The New Energy and Industrial Technology Development Organization (NEDO) announced Wednesday that it will embark on a feasibility study with China to work out a scheme for environment-friendly uses of coal.

NEDO and China signed an agreement Wednesday on basic policies, including outlines of the study and role sharing, NEDO officials said. NEDO is affiliated with the Ministry of International Trade and Industry.

The joint study will be the first program overseas in line with the ministry's technology transfer project aimed at popularizing environment-friendly uses of coal all over the world, the officials said.

The agreement calls for Japan and China to study China's present uses of coal and the possibility of testing environmentally protective gears in coal-fueled thermal power plants from November 1992 through March 1995, they said.

They said 40 million yen is earmarked for the study during the current fiscal year, which ends next March, and 300 million yen for the next fiscal year, they said.

Tokyo Prepared To Allow Plutonium Ship in Port

OW2511104292 Tokyo KYODO in English 0915 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Metropolitan authorities indicated Wednesday that, if requested, they would permit the Akatsuki Maru and its one ton of plutonium to enter Tokyo port when it completes its journey home from France.

The metropolitan assembly's committee on residences and harbor responded to questions Wednesday, saying that if the safety of the vessel can be ensured, it would be "unavoidable" as managers of the port to permit use of the harbor's facilities if it received a request.

According to Tokyo's Port and Harbor Bureau, permission from the governor to enter the harbor by large vessels must be obtained two days before entering.

In that case, the request must declare whether or not there are dangerous materials on the vessel and if there is any question about safety, the request can be refused, the bureau said, although there has yet to be an instance of a refusal being issued.

Citizens' groups opposed to the plutonium shipment, however, are expected to demand that entry into the harbor be refused, arguing that the number of large vessels leaving and entering the harbor increases the possibility of an accident.

Generators Planned for Belgian Nuclear Plant

OW2511114992 Tokyo NHK General Television Network in Japanese 1000 GMT 21 Nov 92

[From the "NHK News" program]

[Text] Three Japanese steam generators will be exported to Europe in the first of this kind of deal—while many nuclear power plants in the world are planning to replace their aging steam generators. The steam generator is a system used only in pressurized water reactors.

At present, four Japanese nuclear power plants are planning to replace their steam generators, including Kansai Electric Power Company's Takahama second generator, and Mihama's second generator, both of which suffered damages or ruptures in fine tubes. Twelve nuclear power plants from around the world have already replaced their steam generators, including some in the United States and Sweden.

A Japanese reactor equipment manufacturer will deliver three steam generators to Chianji [name as heard] nuclear power plant in southeastern Belgium in 1995. The type of steam generator to be exported is huge—it measures 21 meters in length, 4.5 meters in diameter, and weighs 320 tons. The three units are now being manufactured at a plant in Kobe.

The (Chianji) power plant is planning to replace its first reactor steam generator and increase its current capacity of 870,000 kilowatts by 10 percent. The new steam generator will have 5,300 fine tubes—2,000 more than the present number—to improve heat conduction. Japanese nuclear power plants used to import major equipment, but now most of the equipment is manufactured domestically.

This will be the first time a Japanese manufacturer has exported steam generators.

Tokyo, Peru Exchange Notes on Loan 25 Nov

OW2511000492 Tokyo KYODO in English 2301 GMT 24 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Japan exchanged notes with Peru Wednesday on a yen loan worth 12.69 billion yen to the South American nation.

The loan will be used to cover imports and support a program being promoted by the Peruvian Government to stabilize Peru's monetary and financial systems, Japanese Foreign Ministry officials said.

Prime Minister Kiichi Miyazawa promised the financial assistance during Peruvian President Alberto Fujimori's visit to Japan this spring.

The 30-year loan, which includes a 10-year grace period, will carry an annual interest rate of 3 percent, the officials said.

Miyazawa Promises Aid for Ivory Coast Economy

OW2511131892 Tokyo KYODO in English 1229 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Prime Minister Kiichi Miyazawa pledged Japan's support for the reconstruction of Ivory Coast's economy in a meeting Wednesday with visiting Ivory Coast Prime Minister Alassane Dramane Ouattara, Japanese officials said.

The officials said Miyazawa talked for 30 minutes with Ouattara at his official residence.

Tax Authority To Probe Kanemaru's Sagawa Money

OW2511024592 Tokyo KYODO in English 0113 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Taxation authorities plan to investigate whether part of an illegal donation of 500 million yen to Shin Kanemaru, former ruling Liberal Democratic Party (LDP) kingpin, can be taxed, informed sources said Wednesday.

The investigation may be launched next year in accordance with the ongoing public prosecutors' investigation of the scandal, the sources added.

Kanemaru resigned from the House of Representatives last month after he received a summary indictment and paying a fine of 200,000 yen for accepting the 500 million yen from Hiroyasu Watanabe, then president of the now-defunct Tokyo Sagawa Kyubin parcel delivery firm.

The probe will seek to establish whether a part of the 500 million yen donation can be considered as Kanemaru's income and therefore liable to tax, the sources said.

The income tax law stipulates that political donations not used for political activities are subject to taxation.

Kanemaru's secretary reportedly told prosecutors the Sagawa money was distributed to some 60 LDP legislators but it is not clear that all the 500 million yen was actually used for political activities, the sources said.

Kanemaru has already told prosecutors that he is ready to cooperate with the tax investigation, saying he would comply with any order from the tax authorities to pay back-taxes, the sources said.

Takeshita's Diet Testimony Not To Be Televised

OW2511075292 Tokyo KYODO in English 0713 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Testimony by former Prime Minister Noboru Takeshita in the Diet Thursday morning over his alleged involvement in the Tokyo Sagawa Kyubin scandal will not be televised in accordance with the current Diet Testimony Law, party officials said Wednesday.

Three opposition parties—the Social Democratic Party, Komeito, the Democratic Socialist Party—have demanded that the law should be revised to allow television cameras to film testimony by Takeshita.

Negotiations between the ruling Liberal Democratic Party (LDP) and opposition parties, however, failed to reach an agreement on the demand Wednesday because of LDP refusal to revise the law.

In the recruit stocks-for-favor scandal in 1988, televisions were only allowed to broadcast still pictures accompanying the audio of witnesses testifying in the Diet.

Takeshita will appear before the Diet as a sworn witness Thursday morning to answer allegations that a crime syndicate boss aided his 1987 bid to become the LDP president.

The ruling and opposition parties have agreed to send seven members of the House of Representatives, including Osamu Takatori, chairman of the lower house budget committee, to an Odawara hospital in Kanagawa Prefecture Friday to question Shin Kanemaru, former LDP vice president, about his alleged implication in the scandal.

The content of Kanemaru's bedside sworn testimony is expected to be reported to the lower house's committee on Saturday.

Kanemaru, who resigned from the lower house in mid-October to take responsibility for his illegal acceptance of 500 million yen in donations from the Tokyo Sagawa Kyubin, entered the Odawara Municipal Hospital on November 16 for eye surgery.

Kanemaru had allegedly asked Susumu Ishii, the late boss of the Inagawa-kai crime organization, in 1987 via Hiroyasu Watanabe, former president of Tokyo Sagawa Kyubin, to help stop a rightist group from harassing Takeshita, who was vying for LDP presidency at that time.

The lower house's committee has also taken legal measures to question Watanabe at Tokyo detention house on Thursday afternoon. Watanabe is on trial for aggravated breach of trust.

LDP Panel Approves Political Funds Reform Plan

OW2511061792 Tokyo KYODO in English 0605 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—The creation of a system to provide public money for political parties was among political funds reform measures approved Wednesday by a subcommittee of the ruling Liberal Democratic Party's political reform headquarters.

The measures also prohibit corporations and trade unions from giving donations to individual politicians in order to choke off the flow of shady money to the political arena.

Under the measures, donations from companies and trade unions would be provided for political parties and a certain number of organizations designated by politicians as receivers of such money.

Politicians would be obliged to make public the organizations set up to receive their donations and clarify balance sheets of money donated to such organizations.

The ruling party will finalize the measures Friday as its proposal to reform current electoral and political funds systems.

LDP, Opposition Agree on Emergency Reform

OW2511140592 Tokyo KYODO in English 1341 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—The ruling and opposition parties agreed Wednesday to enact an emergency 21-point political reform plan during the current extraordinary Diet session to counter mounting public criticism of scandal-tainted politics.

They reached the agreement at a meeting of the political reform council headed by the ruling Liberal Democratic Party (LDP) Secretary General Tamisuke Watanuki.

The plan includes three new items, including a strengthened Political Funds Control Law, on top of an 18-point reform package.

The LDP and the Social Democratic Party (SDP), Komeito, and the Democratic Socialist Party had already agreed to enact during the current Diet session, which is to last until December 8, the 18-point package, which includes requirements on the disclosure of Diet members' assets and confiscation of illicit donations to them.

The council will hold another meeting Thursday to discuss a bill to reallocate House of Representatives seats to reduce the area-to-area vote value disparity, which will be submitted during the session, as the SDP refrained from giving its final answer Wednesday.

The plan would add nine lower house seats to constituencies with high populations and eliminate 10 seats in sparsely populated electorates.

The LDP aims at enacting both the 21-point emergency plan and the bill simultaneously as part of a revised Public Election Law.

The LDP and opposition parties are playing tug-of-war in dealing with the bill, informed sources said, and its enactment is still uncertain as the SDP may call on the ruling party to explain the relationship between the bill and the emergency plan.

Also at Wednesday's council meeting, the parties agreed to set the maximum jail term at one year for politicians who break the strengthened Political Funds Control Law, which bars them from accepting more than a certain limit in political funds.

Miyazawa To Combat Party Factions' 'Abuses'

OW2511113892 Tokyo KYODO in English 1115 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Prime Minister Kiichi Miyazawa stressed his determination on Wednesday to combat abuses by factions of the ruling Liberal Democratic Party (LDP).

Miyazawa reiterated at a budget committee meeting of the House of Representatives that he will seek a report by the end of this month from the party's political reform panel on how to combat faction abuses.

Answering questions from Democratic Socialist Party Secretary General Takashi Yonezawa, Miyazawa said, "personnel affairs, money and elections are three factors hindering the proper management of the party."

The premier continued, "the LDP will decide how to deal with the (faction) issues. If we cannot solve them, we must give up having factions."

Miyazawa also said he will get a party consensus that cabinet ministers refrain from involving themselves in factional affairs.

Following the resignation of Shin Kanemaru from the House of Representatives in October due to his involvement in the Tokyo Sagawa Kyubin scandal, members of the LDP's largest faction have been wrangling over who should replace Kanemaru as its head.

Japanese Communist Party member Seiji Masamori charged in the Diet debate that Kanemaru must have broken the Public Offices Election Law by receiving 500 million yen from former Tokyo Sagawa Kyubin head Hiroyasu Watanabe as a reward for ensuring that the LDP selected a certain candidate in the 1989 gubernatorial election in Niigata Prefecture.

Masamori said Kanemaru had used his influence to ensure that Kiyoshi Kaneko, then vice governor of Niigata Prefecture, was chosen as the LDP's designated candidate from four potential candidates, including the incumbent Budget Committee Chairman Osamu Takatori of the lower house.

Masamori also said prosecutors failed to carry out their duty of questioning Kanemaru before filing a summary indictment and instead only asked him to submit a report admitting his acceptance of the 500 million yen.

The communist dietman alleged that prosecutors fabricated the reasons for Kanemaru's indictment by changing his secretary's deposition intentionally after Kanemaru's submission of the report.

The Justice Ministry's criminal affairs bureau chief, Kunihisa Hama, brushed aside all the charges, saying that through proper investigation, prosecutors had reached the conclusion that Kanemaru had only broken the Political Funds Control Law and thus need only to have a summary indictment filed against him without questioning.

On Yonezawa's charge that Tokyo Sagawa Kyubin delivered more than 2 billion yen to 10 Diet members, Hama said prosecutors could not discover sufficient evidence to indict them.

Kanemaru resigned in disgrace from the lower house after paying only a 200,000 yen fine in late September for taking the money from Sagawa Kyubin, thereby violating the Political Funds Control Law barring each politician from accepting more than 1.5 million yen in political funds from a single person or corporation in a year.

Furthermore, Watanabe, acting upon a request from Kanemaru, asked the late leader of Inagawa-kai crime syndicate, Susumu Ishii, to silence a rightist group's harassment campaign in 1987 against former Prime Minister Noboru Takeshita who was then seeking the LDP presidency and the premiership.

The budget committee will summon Takeshita as a sworn witness on Thursday.

The Tokyo District Court also gave the green light to have Watanabe testify under oath at Tokyo detention house on Thursday.

Watanabe is on trial on charges of aggravated breach of trust for incurring huge losses to the now-defunct trucking company.

Kanemaru's testimony will be given at a hospital Friday in Kanagawa Prefecture, west of Tokyo, where he is undergoing eye surgery.

BOJ's Fukui Views Economic Recovery Prospects

OW2511061192 Tokyo KYODO in English 0600 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Japan's economy is currently in a severe adjustment phase but it will not be long before it begins to pick up thanks to efforts in both the public and private sectors, a senior Bank of Japan (BOJ) official said Wednesday.

Toshihiko Fukui, executive director of the central bank, said in a speech at a hotel in Tokyo that the recovery is not likely to be robust initially and it will take some time before corporations, suffering weak profitability at the moment, begin to feel the change in their business conditions.

The aftereffects of cutbacks in plant and equipment investment by private corporations are likely to remain for a while, and private consumption is also expected to be moderate, Fukui said. These will contribute to making the recovery less powerful in the early stage, he said.

Fukui warned about pessimism making the present economic situation seem worse than it is. He stressed that supported by restructuring efforts made in the private sector combined with the government's pump-priming measures, "the road to recovery has not been lost."

The executive director, however, did not elaborate on exactly when he thinks the revival will begin to take place. He merely said some signs of improvement can be seen in the housing investment, corporate capital stock adjustment, and auto inventory levels.

Fukui spoke in place of BOJ Governor Yasushi Mieno, who was initially scheduled to make a speech on both domestic and international monetary conditions. Mieno was absent because of a cold.

Turning to the issue of the stability of the Japanese financial system, Fukui expressed optimism that Japanese banks have enough fundamental strength to overcome the problem of their nonperforming loans.

The Finance Ministry has estimated that nonperforming loans carried by major domestic banks amounted to 4 trillion yen at the end of September.

Fukui, referring to the ministry's figure, indicated the banks are capable of coping with the sum, saying they are expected to post a total of 3 trillion yen in operating revenue in the current fiscal year, have 3 trillion yen in reserves, and 14 trillion yen in latent profit from stock investments—despite the sluggishness of Tokyo share prices.

He supported the planned creation of a corporation to liquidate bad loans held by banks with properties as collaterals, saying it should contribute to attaining stability in the financial system by liquidating nonperforming assets when the real estate market is not functioning sufficiently.

In such circumstances, he said, "it is inevitable that financial institutions become cautious about their lending."

Japan's benchmark money supply figure fell 0.6 percent from a year earlier in October to mark the second consecutive month of yearly decline. It dropped 0.5 percent in September.

Fukui admitted the reluctance of financial institutions to beef up their lending, but also stressed that the current money supply conditions more reflect weak fund demand from private firms largely due to the slowdown of the economy.

Fukui said the central bank puts more emphasis on attaining sustainable growth from a long-term perspective, and added it "could refrain from taking measures that may seem effective in the short run but are not so good from longer-term perspectives."

Speculation has been mounting in the market that the central bank may decide soon to further reduce its official discount rate as it has been allowing overnight rates to decline.

The unsecured overnight call money rate dropped to the 3.8 percent level Tuesday, its lowest level in almost four years.

The official discount rate currently stands at 3.25 percent, after being cut by half a percentage point in July.

Hata Rules Out Issue of Deficit-Financing Bonds

OW2511045892 Tokyo KYODO in English 0440 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Finance Minister Tsutomu Hata on Wednesday dismissed calls for an issuance of deficit-financing bonds to fund the national budget for the next fiscal year.

"Once deficit-financing bonds were issued, expenditure would get out of control," said Hata, stressing the ministry's opposition to issuing such bonds.

He made the comments at a meeting of the House of Representatives' Budget Committee.

Calls for the issuance of such bonds have mounted amid the prolonged slowdown of the domestic economy, which is expected to lead to a considerable fall in tax revenues from businesses next year.

Prime Minister Kiichi Miyazawa told the committee that if the government-proposed pump-priming package does not have the desired effect, and further measures are required, "it would be better to issue construction bonds and use funds from the (government's) fiscal loan and investment program."

Regional Banks To Reveal Bankrupt Firms' Debts

OW2511115092 Tokyo KYODO in English 1118 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—Japan's regional banks will be required to disclose only the amount of loans to bankrupt companies in the first disclosures of bad loans information planned for next spring, Finance Ministry sources said Wednesday.

However, the 11 major commercial banks, the seven trust banks, and the three long-term credit banks will be required to reveal the total principal of six-month nonperforming loans they hold as of the end of March 1993, the sources said.

A consensus was reached on these points concerning the disclosure standards in a meeting Wednesday of a government panel discussing their implementation, they said.

The members of a subcommittee under the financial systems research committee, which advises the finance minister, also agreed that the unified standards for information disclosure be viewed as self-governing rules of the banking industry.

Japanese banks will each make public their own bad debt figures when announcing business reports for the year ending next March 31.

The regional banks were exempted from unveiling the total amount of six-month nonperforming loans after they voiced fears publication of such information could lead to a credit crisis because their business operations are concentrated in relatively narrow areas, according to the sources.

Financial institutions other than banks, like credit associations, will not be required to make such disclosures, they said.

The subcommittee will formalize the standards in a meeting in early December.

Communist Party To Discontinue 7 Publications

OW2511050392 Tokyo KYODO in English 0434 GMT 25 Nov 92

[Text] Tokyo, Nov. 25 KYODO—The Japanese Communist Party (JCP) will discontinue seven magazines between December and next March due to financial difficulties, the party paper AKAHATA reported Wednesday.

Four of the magazines including RIRON SEISAKU (Theoretical Policy) are published by the party publishing department, while the three others including KAGAKU-TO-SHISO (Science and Thought) are published by Shin Nihon Shuppansha, which maintains close cooperation with the JCP.

With the closing down of almost half of its magazines, the JCP's forums for theoretical propaganda are reduced to six party-owned publications and one published in cooperation with Shin Nippon Shuppansha.

Akahata cited major changes in the publishing industry and dwindling profits due to soaring costs as reasons for the suspension.

A chief of the party publishing bureau said that if the present publication system was continued "it would be difficult to prevent the management getting into a vicious circle."

North Korea

U.S. Launch of 'Military Satellite' Reported

SK2511011292 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 24 Nov 92

[Text] According to a report from Washington, the U.S. imperialists launched a military satellite into orbit around the earth on 20 November as a part of their plot to realize the Strategic Defense Initiative, an adventurous star wars plan.

The military satellite was launched from the U.S. Vandenberg air base in California. It is said that this satellite will be used for testing instruments which can detect the attack of medium-range and short-range ballistic missiles.

The U.S. Department of Defense is going to develop the system of intercepting nuclear missiles based on experimental data provided by this satellite.

This shows that although the U.S. imperialists loudly talk about disarmament and detente, this is nothing but a pretext to hide their fanatic war preparation plot.

Envoy in Geneva Urges Cancellation of Team Spirit

SK2511044992 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 19 Nov 92

[Text] Concerning the decision of the United States and the South Korean authorities to resume the Team Spirit joint military exercise, the representative of our country's permanent mission to the UN Secretariat in Geneva held a news conference in the press center of the UN Secretariat.

Attending the news conference were reporters of newspapers and news agencies of the many nations represented in Geneva.

At the news conference, Yi Chol, representative of our country's permanent mission to the UN Secretariat in Geneva, made a statement.

He discussed the adoption of the North-South agreement and annexed agreements for implementation of this agreement, the United States' public pledge for withdrawal of tactical nuclear weapons from South Korea, the South Korean authorities' declaration on nuclear nonexistence, and DPRK-U.S. high-level talks.

He pointed out: Certain progress has been made during the past year in relations between South Korea and us and between the United States and us, the very parties concerned with the solution of the Korean issue.

It is clear that if such an affirmative advance had continued, peace and security would have been ensured on the Korean peninsula and national reunification would have been achieved.

However, at this very time, the United States and the South Korean authorities announced that they would resume the Team Spirit joint military exercise, which is a test nuclear war. The Team Spirit joint military exercise is a dangerous nuclear war exercise in which enormous numbers of troops and various types of most modern military equipment are mobilized. This is an act that aggravates the situation on the Korean peninsula and returns the situation to the original point of confrontation.

Under this situation, government, political parties, and public organizations in our country held a joint meeting and demanded the cancellation [chwiso] of resumption of the Team Spirit joint military exercise. They adopted a letter to governments, political parties, and parliaments of all countries in the world.

Dialogue and a war exercise against the dialogue partner cannot be consistent with each other. The United States, a trustee nation of the Nuclear Nonproliferation Treaty, is making a nuclear threat against us by stating that it will resume the Team Spirit joint military exercise. This is an act of violating the treaty, and it means a declaration of canceling public pledges the United States has already made.

If the United States and the South Korean authorities resume the Team Spirit joint military exercise at last in defiance of our repeated warnings, tension on the Korean peninsula would be further aggravated and grave difficulties would be created in our implementing the nuclear safeguards accord, which was carried out satisfactorily.

International social circles should make every efforts so that the United States and the South Korean authorities revoke [cholhoe] the decision to resume the Team Spirit joint military exercise.

Following this, he answered the reporters' questions.

Red Cross Writes World Bodies on Yi In-mo Case

Letter Sent to ICRC Headquarters

SK2411122692 Pyongyang KCNA in English 1030 GMT 24 Nov 92

[Text] Pyongyang November 24 (KCNA)—The Central Committee of the Red Cross Society of the Democratic People's Republic of Korea sent a letter to the International Committee of Red Cross [ICRC] today concerning the problem of the repatriation of Yi In-mo.

Old Yi In-mo who was a war correspondent of the Korean People's Army and is now in an adverse condition has repeatedly demanded the South Korean authorities that he be sent back to the northern half of Korea and his wife and other family members are now ardently hoping for his return home, the letter said, and went on:

The South Korean authorities and Red Cross, however, have refused to send him back to the North, abusing the problem of his repatriation for a political purpose. This, totally running counter to the desire of the entire Korean people for national unity and reunification, is an unjustifiable behavior which cannot be tolerated both in view of humanitarianism and the requirements of the international law on the exchange of POWs.

The letter expressed the expectation that the ICRC will render an active cooperation for an early repatriation of Yi In-mo.

Letter Sent to UN Rights Commission

SK2511120292 Pyongyang KCNA in English 1021 GMT 25 Nov 92

[Text] Pyongyang November 25 (KCNA)—The Central Committee of the DPRK Red Cross Society sent a letter on Nov. 25 to the U.N. Commission on Human Rights in connection with the problem of the repatriation of Yi In-mo, a former war correspondent of the Korean People's Army in South Korea, which has not yet been solved although it is one year since it was raised.

The letter says:

Yi In-mo should have been repatriated after the ceasefire in Korea as a prisoner of war. But, the South Korean authorities subjected him to all sorts of maltreatment in prison for 34 years for the mere reason that he refused "ideological conversion."

The South Korean authorities use his repatriation as a political dealing. This is the harshest violation of human rights and dignity.

The repatriation of Yi In-mo is not simply a humanitarian issue but an urgent problem the solution of which brooks no further delay.

The letter expresses the expectation and belief that the U.N. Commission on Human Rights whose mission it is to defend and guarantee human rights will exercise all its influence and render active cooperation for his repatriation.

Yi Chong-ok To Lead Delegation to Laos Funeral

SK2411121592 Pyongyang KCNA in English 1020 GMT 24 Nov 92

[Text] Pyongyang November 24 (KCNA)—A joint decision of the Central Committee of the Workers' Party of Korea and the Central People's Committee of the Democratic People's Republic of Korea was published today over the death of Comrade Kaysone Phomvihan, president of the Central Committee of the Lao People's Revolutionary Party and president of the Lao People's Democratic Republic.

Comrade Kaysone Phomvihan, a fine son of the Lao people and hero of the Lao nation, founded a working-class revolutionary party, successfully accomplished the historical cause of national liberation and made a great contribution to the steadfastly defending the gains of revolution and building an independent and prosperous new Laos, the decision says, and continues:

He, a close friend of the Korean people, greatly contributed to strengthening and developing the traditional relations of friendship and cooperation established between the parties, governments and peoples of our two countries in the common struggle against imperialism and for independence and fully supported the Korean people in socialist construction and in the just struggle for the independent and peaceful reunification of the country.

His death has brought sorrow not only to the Lao people but also to the Korean people and the world peaceloving people.

The C.C. [Central Committee], the Workers' Party of Korea and the DPRK Central People's Committee send a party and government delegation headed by Comrade Yi Chong-ok, Politburo member of the C.C., the WPK and vice-president of the DPRK, to the funeral of the late Comrade Kaysone Phomvihan.

KPA Friendship Visiting Group Leaves for PRC

SK2411121692 Pyongyang KCNA in English 1025 GMT 24 Nov 92

[Text] Pyongyang November 24 (KCNA)—A friendship visiting group of the Korean People's Army [KPA] led by Gen. Chon Chae-son left here today for a visit to China.

It was seen off at the airport by Gen. Yi Chong-san of the KPA and the military attache of the Chinese Embassy here.

Reunification Committee Chairman Arrives 21 Nov

SK2211090092 Pyongyang KCNA in English 0805 GMT 22 Nov 92

[Text] Pyongyang November 22 (KCNA)—Mr. Yun I-sang, chairman of the overseas headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and prominent composer, arrived here Saturday.

He was met at the airport by Yun Ki-pok, chairman of the North side's headquarters of Pomminnyon, and Kim Chu-hoe, minister of reception for overseas compatriots.

Meanwhile, Ramsey Clark, former secretary of justice of the United States [title as received], arrived here by air on the same day.

South Korea

Citizens Group Demands Arrest of U.S. Soldier

SK2511075792 Seoul YONHAP in English 0640 GMT 25 Nov 92

[Text] Seoul, Nov. 25 (YONHAP)—A citizens group sent an open letter to South Korean President No Tae-u, U.S. Ambassador Donald Gregg and the U.S. Forces Korea Command Wednesday urging the arrest of an American soldier whom they accused of murder.

The group, headed by Kim Chan-kuk, a former vice president of Yonsei University, said in the letter that disclosure of the true picture of the incident and punishment of the criminal was needed to eradicate crimes by U.S. soldiers in Korea, who have been almost immune from the Korean law, and to restore national sovereignty.

The group also demanded a public apology from the commander of the U.S. Forces Korea and the U.S. ambassador plus compensation and an immediate revision of the Status of Forces Agreement between Seoul and Washington.

The group accuses PFC. Kenneth Markle of the U.S. Second Infantry Division of killing Yun Kum-i, a bar girl in Tongduchon. Markle has not been charged in the death of the girl.

Combined Marine Command Set for Activation

SK2411130492 Seoul YONHAP in English 1105 GMT 24 Nov 92

[Text] Seoul, Nov. 24 (YONHAP)—The Korea-U.S. Combined Marine Forces Command will be activated on Dec. 1 under the control of the Korea-U.S. Combined Forces Command, the Combined Forces Command reported Tuesday.

The new command will be commanded by Korean Marine Corps Lt. General Yim Chong-in, it said.

Also on Dec. 1, General Robert W. RisCassi, commander of the Combined Forces Command, will transfer the command of the Eighth U.S. Army he has held concurrently to Lt. General William W. Crouch, currently chief of staff for the United Nations Command, Combined Forces Command and the U.S. Forces Korea and deputy commanding general of the Eighth Army.

General RisCassi will also transfer the command of the Combined Forces Command's ground component command to Korean Army General Kim Dong-jin on Dec. 1, the command said.

Bankers Discuss Financial Cooperation With PRC

SK2411035092 Seoul YONHAP in English 0100 GMT 24 Nov 92

[Text] Seoul, Nov. 24 (YONHAP)—Cho Sun, governor of the Bank of Korea [BOK], met with Li Guixian, president of the People's Bank of China, in Beijing on Monday and they exchanged a wide range of views on ways to expand bilateral cooperation in financing, a BOK spokesman said.

The two agreed to increase exchanges of personnel and information on bank operations and closely cooperate in survey and research work, according to the spokesman.

Afterward, Cho met high-ranking Chinese Government officials, including Zou Jiahua, deputy prime minister and state planning commission minister, and discussed major economic issues between the two countries.

Cho, touring China at the invitation of Li from Nov. 22-28, is expected to visit Shanghai and industrial facilities on his way home, the spokesman added.

Halla Group To Engage in Projects in Shanghai

SK2411040492 Seoul THE KOREA HERALD in English 24 Nov 92 p 8

[Text] Halla Group and the Chinese city of Shanghai have exchanged letters of intent for seven projects, including a joint ferry service between Inchon and Shanghai.

Other projects include the joint construction of a clinker grinding mill, exchange of aerospace technologies, mutual cooperation in the production technology for automotive parts, and joint entry in Shanghai and other overseas construction markets.

The exchanges were made between Halla Group Chairman Chong In-yong and Zhao Qizheng, senior vice mayor of Shanghai, on Nov. 17 in the Chinese city.

A 12-member Halla business team was dispatched to Shanghai Nov. 10 for a nine-day visit.

For the proposed ferry service, the two sides are to meet soon, a Halla spokesman said yesterday.

Halla Cement Co. and Shanghai Cement Corp. have agreed to construct a clinker grinding mill with an annual output capacity of 700,000 tons in the Shanghai area.

Halla is to export 700,000 tons of clinkers per year for the Shanghai mill.

Halla Group and China's Tangshan city, also exchanged letters of intent for eight business projects, including the construction of a 1.2 million-ton cement plant, last September.

Semiconductor Firms 'Uneasy' at PRC Market Moves

SK2511024692 Seoul YONHAP in English 0101 GMT 25 Nov 92

[Text] Seoul, Nov. 25 (YONHAP)—South Korean semiconductor manufacturers are uneasy at China's moves to buy large amounts of semiconductor manufacturing equipment from the United States over the next two to three years.

Industry sources said that China's plan to purchase 2 billion U.S. dollars of semiconductor manufacturing equipment was confirmed at the international semiconductor conference in Austin, Texas, last week.

China sent three buying teams to America in early November and it is unknown if they signed contracts.

Even though China lags 10 years behind Korea in semiconductor technology, it has highly developed basic science and recorded high economic growth in recent years. China could be a major semiconductor exporting country within a decade, the sources said.

China has a huge trade surplus with the United States and enough money to shop for the best technology. If China makes semiconductor products with the imported equipment, the Korean semiconductor industry will be threatened, they said.

Textile Exports to PRC Reported

SK2411071092 Seoul YONHAP in English 0637 GMT 24 Nov 92

[Text] Seoul, Nov. 24 (YONHAP)—China is the one bright spot for Korean textile exports, which dropped 5.8 percent in October compared with a year earlier, sources at the Korea Federation of Textile Industries said Tuesday.

Textile exports of 1.3 billion U.S. dollars last month pushed the total for January-October to 13.18 billion dollars, up 3.8 percent from 1991.

China imported 366 million dollars of Korean textiles in the 10 months, up 60.5 percent from last year. Textile exports to the United States, Japan and the European Community fell 0.2 percent, 3.5 percent and 17.8 percent, respectively.

China has emerged as the sixth largest importer of Korean textiles after the United States, Japan, Hong Kong, Germany and Indonesia.

The sharp rise is attributable to the massive Chinese imports of Korean threads and materials for production, the sources said.

Farm Products Lose Export Market Share to China

SK2511035492 Seoul YONHAP in English 0242 GMT 25 Nov 92

[Text] Seoul, Nov. 25 (YONHAP)—Korean agricultural products are losing an uphill battle against Chinese agricultural products in overseas markets, the Korea Trade Promotion Corp. (Kotra) said Wednesday.

If Korea's agricultural market is fully liberalized, Korean farmers will be dealt a severe blow, Kotra said.

It surveyed the competitiveness of 13 promising farm exports such as ginseng, mushroom and pork in nine foreign markets and found that Chinese products were cutting into sales.

Japan takes about 55 percent of Korean agricultural exports, which are staggering under an assault by low-priced Chinese produce whose quality is being improved using technological tips provided by Japanese importers.

Korean ginseng took the lion's share of the Japanese import market until the mid-1980s, but its share dropped to 26 percent in 1989 and crashed to 16.4 percent last year.

Chinese ginseng has accounted for over 50 percent of imports in Japan since the mid-1980s and soared to 73.4 percent in 1989 and 83.1 percent in 1991.

Shiitake mushrooms sustained a 10.3-percent share of Japan's market in 1989 and slid to 7.2 percent in 1990 and 2.4 percent in 1991.

Chinese shiitakes swept the market with an 88.4-percent share in 1989, 90.9 percent in 1990 and 96.9 percent last year.

In "songi" mushrooms, Korea's portion dipped to 21.2 percent last year from 36.1 percent in 1989 and 30.9 percent in 1990, while China's jumped to 28.8 percent last year from 12.7 percent in 1989.

Korea is outshone by Taiwan in the pork market, taking only an 0.9-percent share in 1991, down from 3.3 percent in 1989, compared with Taiwan's 50.8 percent last year, up from 32.1 percent in 1989.

Kotra said that Korean chestnuts and apples are defeated by rival countries in export markets and warned that if proper steps aren't taken to prepare for agricultural market opening, Korean farmers will suffer.

Burmese Minister Seeks More Economic Cooperation

SK2511092392 Seoul YONHAP in English 0731 GMT 25 Nov 92

[Text] Seoul, Nov. 25 (YONHAP)—South Korean Trade and Industry Minister Han Pong-su met Wednesday with Lt. Gen. Sein Aung, No. 1 industry minister of Myanmar [Burma], and discussed technology transfer and joint ventures to beef up economic cooperation.

Han said that two-way trade soared 25.4 percent to 27.7 million U.S. dollars in the first three quarters this year from a year earlier, adding that Korean companies were expanding their investments in Myanmar.

He proposed to Sein that the two countries should make joint efforts to strengthen economic cooperation.

The Myanmar No. 1 minister appreciated Korea's interest and the active participation of Korean businesses in economic development projects pushed there.

Sein and U Kyaw Myint, head of Myanmar Metal Industries (MMI), met with officials of the Pohang Iron and Steel Co. (POSCO) late in the day to sign a joint venture pact.

POSCO and MMI, umbrella organ of the No. 1 ministry, signed the basic agreement on a joint venture for a factory producing nails, bars and corrugated galvanized sheets.

The two are to conduct a feasibility study by the end of this year and set up a corporation in March next year in a 50:50 equity ratio.

POSCO, which advanced to China and Vietnam, said that it could improve its corporate image as an international company and contribute to exports by supplying raw materials such as wire rods and cold-rolled sheets to the factory in Myanmar.

Economic Pacts With Tanzania Set for Conclusion

SK2511114792 Seoul YONHAP in English 1005 GMT 25 Nov 92

[Text] Seoul, Nov. 25 (OANA-YONHAP)—South Korea and Tanzania issued a joint press release Wednesday promising early conclusion of economic pacts to promote cooperation.

The statement, released at the end of Tanzanian Foreign Minister Ahmed Hassan Diria's four-day Seoul visit, said the two countries will work for early conclusion of investment guarantee and avoidance of double taxation agreements.

The statement welcomed the agreement to have South Korean business delegation visit Tanzania in the first half of next year to explore areas of economic cooperation and continued contribution through grant-in-aid.

It rated highly the economic, science and technology cooperation agreement between the two countries.

South Korea and Tanzania normalized ties last April 30.

Paper Views DPRK Constitutional Changes

SK2511013792 Seoul THE KOREA HERALD in English 25 Nov 92 p 6

[Editorial: "N. Korea's Constitution Change"]

[Text] North Korea's revision of its constitution last April, with the contents made known outside only recently, has the dual aim of gradually opening its society without compromising its monolithic socialist rule. The Pyongyang leadership seems to have taken much pains to rewrite the basic law under mounting pressure from the outside to open up.

In amending the constitution, North Korea, quite understandably, made the most of lessons learnt from the collapse of the Soviet Union and other East European regimes as well as the upkeep of Communist China. While watering down, quite symbolically, the ideological rigidity of its polity, the Pyongyang regime practically reinforced the basis of the incumbent leadership, now being transferred from Kim Il-song to his son Kim Chong-il.

Yet, what deserves our particular attention is the fact that despite all the changes, the basic strategic tenor of the 44-year-old Pyongyang regime remains the same: the communization of the whole peninsula. The amendment left unchanged the clause which calls for "accomplishment of national liberation and democratic tasks on a nationwide scale."

Though changed tactically, the North's eventual goal, somewhat euphemistically disguised, remains the same. The recent exposure of the subversive North Korean espionage networks operating in the South testifies to this.

But, outwardly, the North tried to cater to the outside world by toning down its ideological recalcitrance, as shown in deleting the previously professed inheritance of Marxism-Leninism from the basic law, with an eye to luring foreign interests. The new constitution, adopted at the ninth Supreme People's Assembly last April, contains unprecedented clauses encouraging joint business ventures with foreign corporations or individuals and guaranteeing the legal rights and interests of foreigners.

Certainly, Pyongyang must have found a limit in survival through its anachronistic isolation in the radically changing international environment. Whatever its real intent, it has done well to nudge the outside world's interests. It must have been compelled to further cement its domestic political preparedness against the effects the forthcoming, though limited, opening of its society would have on maintaining rule. All this notwithstanding, the militarization of the whole northern social fabric, more flagrant in the new basic law than before, leads one to doubt its practical propriety and the true intention behind the professed moderation and appeasement.

North Attempt To Promote Tourism Fails

SK2411035692 Seoul YONHAP in English 0141 GMT 24 Nov 92

[Text] Seoul, Nov. 24 (YONHAP)—North Korea's plan to attract large numbers of Japanese tourists this year has been a flop, the South Korea National Tourism Corp. [KTNC] said Tuesday.

North Korea, desperate for foreign currency, was let down by skyhigh prices and terrible facilities, meeting only 6.25 percent of its tourism goal, KTNC said.

Ten chartered planes carried 1,000 Japanese tourists to Pyongyang between January and the end of October. This was 33 percent of the target set by Japanese travel agents.

There are no scheduled charter flights for the remainder of the year.

In January, it was agreed at aviation talks in Beijing that each side would fly 80 charter planes to the other country this year. Tokyo and Pyongyang have no diplomatic relations and there are no regular flights.

The few people making the trip were mostly pro-Pyongyang Korean residents of Japan or Japanese businessmen, and therefore not tourists in a pure sense.

KNTC said package tours of North Korea cost three times the price of a similar tour of South Korea.

Poorly equipped tourism facilities such as hotels and recreation centers, awful transportation and restrictions on behavior were other factors hampering tourism, KNTC said.

* Prospects for Tumen River Development Plan

932C0023A Seoul PUKHAN in Korean Oct 92 pp 24-29

[Article by Seoul City College Professor Kim Won: "Feasibility of and Implementation Strategy for North Korea's Tumen River Development Plan"]

[Text]**Background of Tumen River Basin Development Plan**

It is certain that the development plan for the Tumen River area where the frontiers of North Korea, China, and Russia meet will add momentum to promoting regional cooperation in Northeast Asia. The Tumen River development plan will afford the highest possibility of grafting fine North Korean labor, South Korean technical know-how, Japanese financial means, and Chinese natural resources together.

In view of the conflicting interests among Russia, China, and North Korea, these three countries bordering on the Tumen River, difficulty is expected of what is known as the "Golden Triangle development plan," however. Since the 1938 Zhanggufeng incident, China has been barred from access to the lower reaches of the Tumen River; and as far as China is concerned, it seems to have a long-range strategy designed to secure passage to the east coast through its recent proposal for creating a Hunchun special economic zone and eventually connect this waterborne traffic to China's inland transportation network.

Contrary to the Chinese idea, North Korea's Tumen River development plan linking Unggi (Sonbong), Najin, and Chongjin is mainly designed to improve its underdeveloped light industry and boost consumer goods production and thus revitalize its stagnant economy with capital and advanced technology introduced from South Korea and Japan. Through the Tumen River development plan North Korea thus expects to improve the living standard of the local inhabitants in that area and gradually introduce similar development plans to other areas of North Korea.

Failure of Joint Venture Law, Introduction of Chinese Model

Early on, at the Sixth WPK [Workers Party of Korea] Congress in 1980, President Kim Il-song expressed North Korea's desire to expand exchanges with capitalist countries. With this as a momentum, North Korea set out on the road of "openness." Subsequently, it enacted the Joint Venture Law in 1984 and established a joint venture city in 1988.

These efforts produced few practical results, however, compelling North Korea to find a new breakthrough.

Apparently, therein lies the source of North Korea's agony. Why did the Joint Venture Law turn out to be ineffectual? What were the reasons?

Needless to say, the Joint Venture Law was a necessary condition for attracting foreign capital and technology.

but it failed to be a sufficient condition. The fact is that a more active policy is needed.

For this reason, high-ranking North Korean authorities toured the special economic zone in China in order to make a first-hand observation and learn from the Chinese experience.

North Korean Premier Yon Hyong-muk visited the Shenzhen Special Economic Zone in 1991, and President Kim Il-song secretly visited the zone to observe China's policy of opening up to the outside world in action. North Korea decided to shift its policy from attracting foreign capital under the Joint Venture Law to designating a certain area as a special economic zone and opening it to foreign enterprises by turning it into a free trade zone.

Features of Chinese Model

The Chinese model which North Korea seeks to follow has the following features:

1. By the Chinese model is meant economic opening and not political reform. Political "reform" means democratization and the enhancement of human rights, whereas economic "opening' means opening certain areas to foreign capital and technology. Therefore, economic opening in no way affects the socialist system. North Korea pays attention to this aspect of economic opening.
2. China's economic opening policy is concentrated on the Southern coastal area far from Beijing, the center of politics and power. The Shenzhen Special Economic Zone, established in 1980, is adjacent to Hong Kong.
3. As far as China's special economic zone policy is concerned, it suffices to provide necessary assistant to foreign capital and technology in conducting economic activities. In other words, the Chinese government insures foreign enterprises free economic activities and in return seeks to learn foreign technologies and technical know- how needed in light industry and thus attain China's own economic growth.
4. China's policy for the special economic zone does not threaten to bring down the Chinese unique political system.

These are the features which North Korean Premier Yon Hyong-muk and President Kim confirmed while touring the Chinese special economic zone. Most probably, North Korea adopted its policy for designating Sonbong and Najin as a special economic zone in a desperate move after making a careful study and not by a haphazard way.

North Korean Plan for Special Economic Zone

After going through these series of steps, North Korea at last designated the Sonbong-Najin area as a "free economic and trade zone" by the State Administrative Council's Decision 74 by adopting the Chinese style special economic zone system which permits the instruction of foreign capital and technology.

The following is the substance of the Tumen River development plan submitted by North Korea to what is commonly known as the "Northeast Forum" held in April 1992, following the July, 1991, Mongol conference, and the October, 1971, Pyongyang conference:

Contents of Sonbong-Najin Special Free Economic Zone Plan:

1. Open area: a 621 square meter area encompassing Najin, Sonbong, and Sosura.
2. Types of businesses:
   Machine industry complex.
   Electronics, automobile industry complex.
   Metal industry complex.
   Light industry complex.
3. Amount of investment: $4.2 billion.
4. Method of raising capital: direct investment by international financial organizations or foreign firms.
5. Transportation:
   Electrification of the railway loop line (58.5 percent completed as of now).
   Conversion of the single track into a double track.
   Increasing transportation capacity by 50 million tons.
   Construction of a 306-km highway loop to complement the railway line.
6. Expansion of harbors:
   Najin Port from 3 million tons to 30 million tons.
   Chongjin Port from 8 million tons to 20 million tons.
   New construction of Sonbong Port with a 50 million-ton capacity.

It is expected that when North Korea's Sonbong-Najin areas is opened as a special economic zone, this area will in the long run be linked to China's Hunchun Special Economic Zone and Russia's "Vladivostok,' forming the most advantageous "Golden Delta" in Northeast Asia.

Trickle-Down Effects of Special Economic Zone

When the Sonbong-Najin area is designated as a special economic zone and opens up to foreign capital, technology, and manpower, it will have the following trickle-down effects:

1. Economic revitalization: the zone will provide a major thrust in breathing life into the extremely slack North Korean economy and making it grow.
2. Reorganization of the industrial stricture: the zone will have the effect of bolstering North Korea's backward light industry and reorganizing its industrial structure by grafting the light industry technologies of advanced nations on the North Korean industrial structure, which is chiefly based on heavy industries.
3. Increased employment opportunities: light industry being a labor-intensive industry, the zone will increase employment in the manufacturing sector by hiring fine North Korean labor.
4. Improvement in people's living standard: the zone will employ North Korean labor, which earns a monthly average income of 150 won ($69.00), enabling the employees to receive a supply of daily necessities and improve the quality of their lives.
5. Change in the thinking of the inhabitants: in a short

run people will have only a limited range of freedom, but in the long run they will come to realize the self-contradiction of the closed North Korean society through contacts with Western technical personnel and negotiations with Western buyers and gradually change their way of thinking in favor of democratizing the North Korean institutions and insuring human rights.

As proven by the "Tiananmen incident" in China, "economic opening" could develop into political "reform." In reality, that is what North Korea is most afraid of.

6. Regional gap: when the policy of economic opening for the northeastern area is maintained, it may make the western area look backward compared with the northeastern area.
7. Cropping up of environmental problems: Inasmuch as a labor-intensive industry means industry with a low level of technology, the concentration of low-technology industries in the Sonbong-Najin area will give rise to environmental problems such as pollution, contaminated water, and ecological destruction.

Implementation Strategy

1. Enactment of Special Law

Given its low wage level and fine quality labor, North Korea is in a more advantageous position than any other country when it comes to developing the production of processed light industry goods with foreign capital and technology.

Entrepreneurs in Western countries are skeptical about North Korea. Therefore it is desirable for North Korea to provide legal and statutory devices through the enactment of a special law to clear the skepticism on the part of Western businessmen and permit them to remit the fruits of their investments and engage in free entrepreneurial activities.

2. Step-by-Step Development Plan

It is impossible, both technical and financially, to develop the 621 square kilometer zone encompassing Sonbong and Najin and open it to the outside world at one swoop. Therefore it is desirable to adopt a method of gradual opening.

The development plan can be implemented roughly by three stages.

First-stage development: It will be best to open up on a preferential basis the section in the 621 square meter zone that has an adequate city infrastructure and harbor facilities capable of facilitating the handling of incoming and outgoing shipments. Between Sonbong and Najin, the latter is in a better position to open up.

The harbor faculties in Najin, originally built by the Japanese in 1932, remain outdated, but Najin has an advantage over Sonbong in that it is closer to Chongjin. Nevertheless North Korea may not want to extend the winds of opening southward too rapidly. Accordingly, if this political factor is taken into consideration, it is possible that North Korea will begin the first-stage project in Sonbong.

The Sonbong area has poor harbor facilities. With several beautiful natural lakes, such as the Yongsu, Manpo, West Nakpo, and East Nakpo lakes, in its immediate vicinity, Sonbong has an advantage in utilizing these lakes in providing recreation space for foreign enterprises. In addition, it has an advantage in attracting petrochemical industry from overseas because Sungni [Victory] Chemical Plant—also identified as Unggi oil refinery—is located there.

Second-stage development: If the Sonbong area is developed in the first-stage, it is possible to move southward carefully and develop Najin in the next stage, depending on the results of the Sonbong development project.

The second-stage project will be carried out on a larger scale. Along with the expansion of the city infrastructure, investment needs to be made in welfare facilities for the local inhabitants. In the second-stage period, investments should be made boldly in housing, education, manpower development, and cultural facilities, as well as in projects for environment protection.

When foreign investments increase in the Sonbong-Najin area, workers will freely move from place to place, rendering it necessary to insure freedom of movement for the local inhabitants.

This will give rise to housing problems and make the local inhabitants demand better educational, cultural, and environmental facilities. North Korea needs to provide these services necessary to meet the demands for social overhead structures. An adequate climate for investment and labor must be provided at the same time.

Third-stage development: As the demand for extensive and free regional exchanges appear among foreigners as well as among local people, it will stir demands for leisure facilities. It is in this stage that investments should made in building adequate facilities for outdoor sports and recreational activities, such as golf, skiing, swimming, and boating.

When the initial and middle stages are passed, the living condition will become more stable and foreign buyers come and go more frequently, prompting friendship activities between foreigners and local inhabitants through outdoor sports.

Accordingly, roughly a 1-5 year period may be set for the first stage, a 5-10 year period the second (middle) stage, and a 10-15 year period for the third and last stage.

In order for the North Korea policy for opening up the Sonbong-Najin area to prove effective and bring good results to the local inhabitants in many aspects, a continuing investment over a period of at least 10 years needs to be secured.

This area is different from the Shenzhen zone in Guangdong Province. The Chinese zone, thanks to its propinquity to Hong Kong, has easy access to the information and recreation faculties Hong Kong has, whereas the Sonbong-Najin area, being situated in the northeastern frontier area, has no free cosmopolitan city in its vicinity. This disadvantage is a limitation for the Sonbong-Najin area, and it is also a burden for North Korea.

Conclusion

From the beginning North Korea's Tumen River development plan centering on Sonbong and Najin has a different background from those of the Chinese and Russian plans. North Korea enacted the Joint Venture Law in 1984 in an effort to find the way out of its long drawn-out economic slump and its closed economy, but the enactment of the law was not enough to attract foreign capital and technology.

As a result, Premier Yon and other high-ranking North Korean officials one after another visited the special economic zones concentrated in the southern coast of China, and North Korea came to decide to follow the Chinese style policy of opening up to the outside world.

By the December, 1991, decision of the State Administration Council, North Korea decided to set aside the Sonbong-Najin areas as a special economic zone and open it to foreign capital and technology. The area has harbor facilities and access to transportation facilities, but it needs a lot of social overhead investment.

North Korea plans to introduce a foreign credit totalling $4.2 billion to expand harbor facilities, build city water and sewage facilities, create industrial complexes, and build highways.

In order for this plan to be implemented fully, North Korea will need to carry out a stage-by stage development plan by beginning with Sonbong, which has relatively better facilities, instead of undertaking an all-out simultaneous development plan, and enact a special law necessary to attract foreign capital and technology and insure entrepreneurs free economic activities.

No: Obstacles to Unification 'Almost Overcome'

SK2411084592 Seoul YONHAP in English 0626 GMT 24 Nov 92

[Text] Seoul, Nov. 24 (YONHAP)—South Korean President No Tae-u said Tuesday that external obstacles to Korean unification had been almost overcome and he was confident that a commonwealth could be created by the end of this century.

"The biggest obstacle to reunification is obviously the suspicion surrounding North Korea's nuclear development program, but North Korea cannot resist the grand flow of world history for long," No said in a meeting reviewing his northern policy, attended by some 230 representatives of all walks of life.

The northern policy is aimed at improving Seoul's relations with former and present socialist countries.

As external obstacles had been nearly overcome, the most important task was now internal preparations for reunification, the president said.

"Korea should make the most of the northern countries as new outlets for development. They have almost half the world's natural resources, advanced technologies and a big potential to be a gigantic market," he said.

"Internally, Korea should realize national harmony, build up a system for a unified national management and nurture competent people."

Deputy Prime Minister Choe Yong-chol reported in the meeting that the people of South Korea had the faith and the conviction needed to realise national unification in the near future thanks to the success of northern policy.

Choe said that 2,353 South Koreans have contacted North Koreans in third countries and 1,247 have visited the North, and that 4,000 Korean residents overseas have visited the North since June 1989, when Seoul announced a basic guideline on inter-Korean exchanges.

Trade between the two Koreas totaled 420 million U.S. dollars on an approval basis as of the end of October, making South Korea the North's fourth largest trading partner, said Choe who also is the national unification minister.

There have been growing exchanges of commodities since Oct. 7, 1988, when South Korea adopted an economic opening policy toward the North, he added.

Deputy Prime Minister Choe Kak-kyu said that the government would proceed with economic cooperation with Pyongyang taking the overall inter-Korean ties into account.

For economic cooperation with northern countries, the government would make a country by country approach, studying changes in political situations and progress of reform in each country, said Choe, who concurrently is the economic planning minister.

Yi Pyong-yong, director of the Research Institute for National Unification, told the meeting that he saw little possibility for structural change in North Korea through reform or opening, or the emergence of a new political leadership that might replace President Kim Il-song and his son and heir-apparent, Chong-il.

"There is a possibility, however, for a chain reaction of controlled opening, expansion of opening, changes in social structure and in the way of thinking among the people, structural reform, and policy change in North Korea just as in other communist countries. The generational shift of the highest authority could be advanced too," Yi said.

Even though the inter-Korean basic agreement and the joint declaration on denuclearization of the Korean peninsula had taken effect, he said. North Korea was hindering progress in its relations with South Korea by mixing peace offensives with attempts to subvert the government in Seoul.

From the mid-1990s, however, Pyongyang might show a more sincere attitude to South-North dialogue and it could be possible to create a Korean commonwealth under the formula espoused by No in 1989, Yi said.

During the meeting, President No honored So Si-chu, a deputy managing editor of YONHAP news agency, and 11 others with national orders and citations for their contributions to northern policy.

Presidential Candidates Discuss Election Programs

DLP's Kim Yong-sam

SK2511010692 Seoul KBS-1 Television Network in Korean 1200 GMT 20 Nov 92

[Interview with Kim Yong-sam, president of the Democratic Liberal Party, DLP, and presidential candidate, by anchorman Yu Kun-chan during the "KBS Nine o'Clock News" program; place and date not given—recorded]

[Excerpts] [Yu Kun-chan] How are you?

[Kim Yong-sam] How are you?

[Yu] You have officially registered yourself as presidential candidate today. You have become a presidential candidate twice in your life. How do you feel about it?

[Kim] I will do my best to take responsibility for history and the people. The upcoming presidential election is significant because the new president will close the 20th century and prepare for a new 21st century for the country. I think the new president will have the responsibility and obligation to give the people new vitality and let them enjoy a healthy society. [passage omitted]

[Yu] We hear that the DLP has put forward 77 campaign promises for this election. Could you tell us three of your policies to which you will give priority when you become president?

[Kim] There are many things to be done, but the most important of all is to revitalize the economy. I think we should revitalize the economy for the country to survive. I will do my best to revitalize the economy. We hear housewives say they are afraid to go to the market because of the increasing cost of living, and small and medium industries are going out of business one after another. Our industrialists are discouraged from making investments. Our workers should work hard. By so doing, all of us, businessmen, workers, the government, all the people, should join their strength to revitalize the economy.

Second, I said that I will heal the Korean disease. There are many Korean diseases, but we should eliminate corruption in the first place. Authority has also collapsed. We should rescue authority. Law and order have collapsed. The people should abide by law and order. This is the most important requisite to implementing democracy. We should put an end to this age in which those who live on unearned incomes live comfortably. I think that we should bring forth a society where those who have worked hard are respected by society and the state. These are some of the many Korean diseases. I think healing the Korean diseases is the most important work to cope with at present.

Third, all the people yearn for reunification. We should not be too much in a hurry for reunification. Feelings of trust should develop between the North and the South. I think that we should resolve the issue of reunification, our long-cherished desire, by the end of this century at the latest. To achieve this, we should make efforts to prepare ourselves internally for reunification. This is one of the most important tasks at present.

[Yu] The government is pledging to conduct fair elections, forming a neutral cabinet for the first time in the constitutional history. The people in general are of the opinion that the DLP, as the majority party, should be at the head of the campaign to realize fairness in the upcoming election and that the DLP should not rely on the government, which is determined to conduct a fair election, for assistance. What is your resolve for a fair election, fair play?

[Kim] I do not have the slightest desire to depend on the government for help. I have given up the vested rights of the presidential candidate and president of the ruling party. In other words, I myself called for a neutral cabinet. I wanted fair play through fair election. This will enable us to keep up with morality and legitimacy. I have repeated many times that I do not have the slightest desire to become president through an unfair election. There will not be controversy over the government's illegal involvement in the election any more. I could feel this while touring the provincial areas. However, there still is the serious problem of attempting to buy votes with money. Therefore, the neutral cabinet should resolutely cope with the election supported by the illegal power of money. Another big evil of election is the smear campaign. The excessive slander against the candidates and the smear campaign have misled the judgment of the people in the elections in the past. I think that the neutral government and the Central Election Management Committee should sternly deal with the election supported by the illegal power of money and smear campaign. [passage omitted]

[Yu] As in the United States, the people in our country also seem to be in favor of the need for a television debate for the upcoming election as a more effective means of electioneering than the stumping tour. The Democratic Party and the United People's Party claim that you are trying to avoid the TV debate. Are you really trying to avoid TV debate?

[Kim] The weaker people are liable to make such allegations. I have never hesitated to participate in a debate. I am prepared to talk and debate with anyone. I also think it important to listen to the people freely. If the political parties agree to hold the TV debate, I will participate in it and debate before the people.

[Yu] This is an unhappy prediction, but the morbid disease of the country, regional antagonism, may also come to the fore during this election campaign as well. Therefore, in order to put an end to it, some advocate that we ought to adopt a parliamentary cabinet system after this election. What is your view of the need for a parliamentary cabinet system?

[Kim] Regional antagonism is one of the most serious Korean diseases. I think the issue of regional antagonism will be resolved once and for all after this election. We can do it by bold personnel actions and fair state management. However, now we have only 28 days left before the presidential election, and if we mentioned a parliamentary cabinet system, it would not be a convincing subject to discuss. The people need to think deeply over which will be beneficial for the people, the presidential system or the parliamentary cabinet system, to have a strong leadership, a strong government in the present reality of our country which is divided between the North and the South.

[Yu] If you are elected president, you will be the first president from a civilian background in 30 years. In view of a series of undesirable scandals of the military that have recently been reported, the people are worried about the loosened discipline in the military. What is your plan to control the military in such a condition?

[Kim] I think the recent scandals in the military are very unhappy ones. If the change of the age into one where reason prevails is realized and if the people elect me president thanks to their love for me, I will hold the prerogative of the supreme command of the military. With fair personnel actions—I always say that personnel action is the determining factor at all times—I think this problem will be solved. I love the army. I am confident that I can make the armed forces devote themselves to the national defense free from care.

[Yu] This is a final question. If you fail to win this election, will you retire from politics or continue politics?

[Kim] I will do my best to win the election. I am confident that I will win. I will make the country where the people enjoy their lives full of hope, and pass on the country to the younger generation.

[Yu] Thank you for availing yourself for our KBS listeners despite your busy schedule. Thank you.

[Kim] Thank you.

DP's Kim Tae-chung

SK2411120992 Seoul KBS-1 Television Network in Korean 1200 GMT 21 Nov 92

[Interview with Kim Tae-chung, presidential candidate of the Democratic Party, DP, by anchorman Yu Kun-chan during the "KBS Nine o'Clock News" program on 21 November; place not given—recorded relay]

[Excerpts] [Yu Kun-chan] Kim Tae-chung, presidential candidate of the Democratic Party [DP], is now hooked up to this studio. How are you?

[Kim Tae-chung] How are you?

[Yu] You have become a presidential candidate for the third time. First, I would like to hear your comments about your presidential candidacy.

[Kim] Yes, this is my third and, at the same time, last time. In the 1971 presidential election I obtained 46 percent of the votes and was on the verge of being elected. I failed to win in the past two presidential elections because they were fraudulent. Circumstances have changed completely this time, however. So, I will do my best in the upcoming election so that I can realize without fail my ardent desire of putting into practice the political plan that I have prepared for the past 40 years in order to carry out good politics for the people. At the same time, I will show to the people the difference between the military rule and our democratic politics. I will also create a bright and promising future for our young people so that they can cope with the upcoming 21st century. This is my ardent desire.

[Yu] It is said that the DP believes that candidate Kim Tae-chung has a good chance of winning the upcoming presidential election. What do you think are your prospects in the election?

[Kim] I think the possibilities are very high. There are three candidates from the ruling camp and a single candidate from our opposition camp. This is one of our strong points. In addition to this, the people are sick of the DLP's [Democratic Liberal Party] prolonged rule and its misgovernment. So, the people's ardent desire to change the government this time is unprecedentedly growing everywhere in the country. This is also another favorable aspect for our party. Our DP was merged according to the people's desire. Since then, our party has been properly carrying out various aspects, including development of democracy within the party and development of party policies.

[Yu] According to an opinion poll, however, more than one third of the voters are undecided. So, success in the election depends on who obtains more of these undecided voters' votes. What is your strategy for winning over these undecided voters?

[Kim] If the people choose the DLP, the politics which we have experienced so far will be repeated or will be much worse. So, our voters should take this into consideration. However, if they choose the DP, they will see good politics. In other words, our party will exert all possible efforts for democracy without fail. They have entrusted our politics to soldiers who do not know anything about politics. So, now is the time for our people to entrust politics to civilians like us, who are professional politicians.

[Yu] I understand that the DP has already made public its 100-point campaign promises for the upcoming presidential election. Could you tell me three of your promises to which you will give priority when you become president?

[Kim] Well, first I will carry out clean politics so that we can build a clean and moral society without corruption. Second, I will maintain prices at the level of 3 percent so as to stabilize the people's standard of living and establish the foundation for industrial development. In addition, I will give priority to assisting small and medium enterprises, developing science, and maintaining good relations between labor and management. In a nutshell, I will give priority to the economy so that our country can enter the ranks of eight major economic powers of the world. Third, I will rectify the current college entrance examination system.

[Yu] A neutral, election management cabinet has been formed for the first time in the history of our Constitution. In connection with the incident of current lawmaker Kim Pok-tong, the DP recently made an issue of the neutrality of the Hyon Sung-chong cabinet. Do you still call for Prime Minister Hyon Sung-chong to step down from his office, assuming responsibility for that incident?

[Kim] It is indeed regrettable. I, who enthusiastically welcomed and supported President No Tae-u's decision to form a neutral cabinet, cannot but feel shame before the people. I was indeed surprised to learn about the incident. The abduction of lawmaker Kim Pok-tong cannot but be regarded as an act of abuse of power by the government, but is also an act of coup d'etat. This incident shows that President No is still supporting a specific political party, namely, the DLP. Anyway, this is indeed intolerable.

[Yu] My next question is about the spy ring incident. One of your administration's assistants has been arrested for being involved in the spy ring incident, and a DP deputy spokesman has also been arrested recently on the same charge. I want to hear your comments on this.

[Kim] First of all, I must apologize to the people for this problem. However, in a nutshell, no lawmaker in our party was involved in this incident. This is for sure. Regarding my administration's assistant, he was neither a North Korean spy nor a supporter of a North Korean spy. He had nothing to do with the North Korean spy incident. This has been proven by the prosecutor's written arraignment. The matter about him is that he lent an outline of our national defense budget—the secrecy of which was nullified because the National Defense Ministry had openly made it public to newspapers—to a friend of his who wanted to use it for his studies. He did not have any insidious intention in lending the material to his friend. So, let me repeat again that he had nothing to do with the spy incident and that this has been proven by the prosecutor's written arraignment.

Regarding the problem of the deputy spokesman of our party, his case was an old one. His case dates from the time when he ran for the National Assembly election in 1988 under the Hangyore Democratic Party ticket. The case goes back to before he joined our party. Our lawyers are now contacting him. So, I can explain this incident only after they have found out the truth of the case. [passage omitted]

[Yu] This is a final question. If you fail to win this election, will you retire from politics or will you run for the presidency again?

[Kim] I will not run for the presidency regardless of whether I win or fail in this election. I will continue to stay in the political arena to train and foster new political leaders. I will also help young people in the political arena. I am indebted to many people. So, I think I should help them in the future.

[Yu] Thank you.

[Kim] Thank you.

UPP's Chong Chu-yong

SK2511111592 Seoul KBS-1 Television Network in Korean 1200 GMT 22 Nov 92

[Interview with Chong Chu-yong, presidential candidate for the United People's Party, UPP, by anchorman Yu Kun-chan during the "KBS Nine o'Clock News" program; place and date not given—recorded]

[Excerpts] [Yu Kun-chan] How are you?

[Chong Chu-yong] How are you?

[Yu] You founded the political party while working as a businessman. You became a presidential candidate less than a year after you got into politics. Will you comment about your presidential candidacy in which you are contending against the two candidates, the two Kims, who have been in politics for over 40 years?

[Chong] I could have lived a happy life as a businessman. However, considering our country's difficult political, economic, and social circumstances, I have made up my mind—with the resolution to overcome all difficulties—to participate in the election in order to save the country. In addition, I still think that my participation in order to correct politics was a good decision.

[Yu] It is true that your lack of political experience is regarded as a relative weak point. Do you think of the possibility of winning the election?

[Chong] I played a dominant role in modernizing our politics in the past. I was engaged in economics with worldwide intellectuals. I think that I will gain an easy victory in the election.

[Yu] You have steadily claimed that the politics dominated by the two Kims should be brought to an end. Even though the two Kims did not seize power, when the two Kims acted as opposition parties' politicians, you also acted as a conglomerate's head. What is the difference between you and the two Kims?

[Chong] They had careers in struggling against the military government. However, there is no military government in our country any more. Thus, they have no work to do.

As you well know, U.S. President Bush made many contributions to humanity in the past. However, the work that President Bush has to do comes to end. That is, he has no work to do in new times. It is high time to choose a person who can lead the people to live a rich and prosperous life in accordance with the new times. This is the trend of the world. I am well versed in economics, which is what the new times require.

[Yu] You have made a pledge that if you are elected president, you will revise the Constitution in favor of a parliamentary cabinet system. First, would you explain why the party's platform says that the presidential election system should be changed into a parliamentary cabinet system? Second, would you explain what is the concrete method to promote a parliamentary cabinet system?

[Chong] All senior lawmakers of our party have long taken into consideration a parliamentary cabinet system. As a result, we came to share the consensus that a flower of politics is a parliamentary cabinet system. To develop our country, to promote our country's political ideal, and to bring into full bloom the flower of politics, we will conduct—two years before and after I am elected—a parliamentary cabinet system by collecting opinions from all walks of life. We will manage all state affairs through a parliamentary cabinet system.

[Yu] According to the Central Election Management Committee's data, the United People's Party [UPP] has conducted the most illegal election campaigns. The prosecution authorities have steadily investigated instances of the Hyundai Group's election campaign involvement and special relations with the UPP. Would you comment on this issue?

[Chong] All laws and regulations are based on common sense. We got our party members to inspect an industrial complex in Sosan and Ulsan. Some claim that this is an early election campaign and that it is contrary to the election law. We expect that the claim, which is contrary to common sense, will be judged to be wrong in court.

[Yu] The UPP has made many election pledges. Would you tell me three pledges to which you will give priority if you are elected president?

[Chong] First, as soon as I come into power, I will conduct the elections of the heads of local self-governing units within the first half of next year. By so doing, a firm foundation for democracy will be laid. Then, all fellow countrymen will be able to have local self-governing units' heads to serve them.

Second, I will lower the interest rate below 6 percent. I will lower the interest rate below 3 percent for farming. Banks have become a pawnshop and a private coffer for the ruling party. I will turn the current bank system into a free competitive system. I will make banks play a driving force in establishing the society of credit. When all small-and medium-sized enterprises and people visit banks to borrow money with a business project, banks can lend money to them after inquiring about their financial status. Accordingly, all the people will have to try to acquire good credit if they are to easily borrow money from banks at a low interest rate.

[Yu] You have made a somewhat astonishing pledge. You said that if you are elected president, the sale price of apartments will be lowered by half the present prices, that a $30 billion trade surplus will be achieved within three years, and that the national per capita income will be $20,000 within five years. There are many people who doubt that your pledge can be implemented. In addition, some time ago a UPP official responsible for mapping out the UPP platform revealed that the pledge is symbolic. Do you think the pledge can be implemented or is it just symbolic?

[Chong] Certainly and surely, I will implement the pledge. I will lower by half the sale price of apartments in Seoul. To this end, I will remove the current bond-related apartment buying system. [passage omitted]

[Yu] The spy ring incident has spread into political circles. You have even been verbally abused for making remarks about the communist party. What are your specific thoughts about the communist party? Would you also tell me your opinion of the prospect of North-South relations?

[Chong] The spy ring incident is, in fact, a grave incident because this is related to state security. An aide of a party's candidate is said to have been arrested. However, it is also widely rumored that aides of another party's candidate are involved in the incident. The security authorities should thoroughly investigate the incident to clear the people's suspicion. The spy ring incident and state security affairs should not be affected by an election period because this is an issue related to state security. The government should thoroughly investigate the spy ring incident and reveal its truth to the people.

I granted an interview to the SISA JOURNAL some time ago. A few people claimed that some of my remarks suggested that I am involved in the communist party. This was a harmful rumor that was premeditatedly spread. Judging from any angle, it is impossible for me to like and admit the communist party. If I seize power, I will reinforce defense expenses rather than reducing them. Until North Korea's Kim Il-song and his son completely lose power, national defense should not be ignored.

[Yu] There are many people who doubt if, because you are over 70 years old, your health is up to the arduous election campaigns requiring physical strength. Are you confident of your health?

[Chong] I am confident about my strong health. If I come to Chongwadae [presidential residence] after I seize power, I will work for five years without stopping a single day. For the past 65 years, I have never been absent from my office because of illness. I think that I can work nonstop until I am 100 years old. I am more confident than any candidate.

[Yu] This is a final question. If you fail in this election, will you continue to participate in politics?

[Chong] I have never thought of my failure in the election because I am certain of my victory. Of course, I founded the UPP, and I will continue to participate in politics to completely renew the history of our country's politics. However, because I have never thought of my failure in this election, I have nothing to say about my failure.

[Yu] Thank you very much for granting an interview for our KBS news viewers despite of your busy schedule.

[Chong] Thank you.

8 Presidential Candidates Officially Registered

SK2511121392 Seoul YONHAP in English 1113 GMT 25 Nov 92

[Text] Seoul, Nov. 25 (YONHAP)—A total of eight persons have registered their presidential candidacy with the Central Election Management Committee by registration deadline Wednesday afternoon.

On the final day Wednesday, Yi Pyong-ho, president of the Korea Justice Party, and Paek Ki-wan, an independent, completed their registration.

The six others who have already registered were Kim Yong-sam of the Democratic Liberal Party; Kim Tae-chung of the Democratic Party; Chong Chu-yong of the United People's Party; Yi Chong-chan of the New Korea Party; Pak Chan-chong of the New Politics Party; and Kim Ok-son, an independent.

Meanwhile, supporters of O Pok-kun tried to register O's candidacy by bringing necessary papers and the deposit money of 300 million won to the election committee.

But, the committee turned down O's registration as O personally told the committee he was not interested in running in the election.

Officers Charged in Equipment Diversions Named

SK2411123992 Seoul YONHAP in English 1044 GMT 24 Nov 92

[Text] Seoul, Nov. 24 (YONHAP)—The Army said Tuesday that the recently uncovered illegal diversion of Logistics Command equipment was not an organized case involving key command officers but a typical equipment embezzlement perpetrated by relevant Army officers and a civilian dealer.

An Army headquarters special investigation team headed by Brig. General Yi Sang-to, judge advocate general, said in a press conference at the Defense Ministry that the military officers involved were those of the Central Collection Service Unit under the Logistics Command, a military police unit and a Defense Security Command branch office.

It said that seven of these officers were arrested on charges of military goods embezzlement, fabrication of official documents and graft.

The arrested were former and present commanders of the Central Collection Service Unit Lt. Colonels Sin Chi-tong and Kim Yong-i; Logistics Command military police commander Col. Pak Ho-kil; former and present Collection Service Unit finance officers Majors Pak Kyon-sam and Kwon Pyong-tok; Defense Security Command Warrant Officer Ho Tok-ho; and First Sergeant Hwang Pan-kon of the military police unit.

Regarding Lt. General Pae Il-song, commander of the Army Logistics Command, the investigation team said Lt. Colonel Sin tried to bribe the general on three occasions but Pae rejected it. General Pae's wife, meanwhile, kept reversing her earlier statements making it hard for the probe team to establish her acceptance of bribe, it said.

"Our investigation has revealed that in violation of the military regulations calling for complete disintegration of discarded equipment before their disposal, the Collection Service Unit disposed of slightly disintegrated bulldozers and graders," probe team head Yi Sang-to said.

In the process, Yi said, service unit officers collaborated with military police and Defense Security Command officers.

Brig. General Yi said it was determined that Lt. Col. Sin and others diverted 12 bulldozers and nine graders on four occasions from December last year to last August.

In return, Sin received 23.2 million won, Col. Pak and Sgt Hwang of the military police 8 million won, and the Defense Security Command's [words indistinct] 6.4 million won, respectively.

Yi said his probe team was continuing to look into the allegation made by Lt. Col. Sin to the effect that he handed 200,000 won to 300,000 won every month or bimonthly—16,600,000 won in all—to four general-grade staff officers and six field-grade officers of the Logistics Command.

Asked how the military construction equipment registered at the Inchon city and the South Chungchong Province administration were diverted, Yi shunned to give a clear answer saying that investigation was incomplete.

Government Not To Bail Out Sagging Economy

SK2511082192 Seoul YONHAP in English 0716 GMT 25 Nov 92

[Text] Seoul, Nov. 25 (YONHAP)—The government will slightly loosen the reins on construction, but nothing else will be done to revitalize the flagging economy, Deputy Prime Minister Choe Kak-kyu said Wednesday.

Restrictions on construction of commercial buildings and housing quotas would be relaxed a little, but the government would not try to increase domestic consumption by expanding the money supply, Choe said.

The economy grew 3.1 percent in the third quarter, and real gross national product would expand between 5 percent and 6 percent for the year, slightly under the optimum 7 percent, said Choe, who is also economic planning minister.

"If the government changed policy direction now, it would be committing the same error of fueling price instability and the current account deficit as in 1990-91," Choe said.

The government would, however, gradually loosen its demand control policy in such fields as construction because real estate speculation had subsided and the international balance of payments deficit was improving, he said.

Choe said that he would not rule out a cut in interest rates, but that the problem should be solved in connection with overall financial reforms and interest rate deregulation.

Downward stabilization of rates was the government's basic position but there remained disagreement on how it should be done, the deputy premier said.

He said that he would decide between downward stabilization and liberalization with Cho Sun, governor of the Bank of Korea, as soon as Cho returned from abroad.

"We can't accept the tariffication of rice under current domestic circumstances," he said.

But Korea needed to draw up its stance in case the United States and EC work out a negotiating draft on the Uruguay Round [UR] trade talks late this year in accordance with the recent bilateral agreement.

The government should undertake extensive opinion collecting and consult with academics, politicians, journalists and farmers on the agricultural market opening pressure that would come after a new international trade order is set up under the Uruguay Round talks, he said.

The United States and EC will increase the pressure to open foreign rice markets if the UR talks gain momentum from Nov. 26, when the trade negotiation commission is to convene, a government source said.

The source said that Korea was expected to have a tougher time getting its position across now that Japan had begun to show signs of softening its line on rice market opening.

Cambodia

Government Cancels Permission for KR Observers

BK2511042192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1200 GMT 24 Nov 92

[Letter from Deputy Defense Minister General Ke Kimyan to Lieutenant General John Sanderson, commander of the United Nations Transitional Authority in Cambodia forces; date not given—read by announcer]

[Text] His Excellency [H.E.] General Ke Kimyan—member of the Standing Committee of the Cambodian People's Party [CPP] Central Committee, first deputy defense minister, chief of the Army General Political Department, and head of the Commission for the Coordination of Military Affairs with the United Nations of the State of Cambodia [SOC]—recently sent a letter to Lieutenant General John Sanderson, commander of the UNTAC [United Nations Transitional Authority in Cambodia] forces, on deployment of the Khmer Rouge [KR] forces' liaison and observer officers in regions controlled by the SOC. The following is the contents of the letter:

Dear General: Firmly adhering to all the provisions of the Paris peace accord with a view to forging ahead with the Cambodian peace process, our SOC's troops have closely collaborated with UNAMIC [United Nations Advance Mission in Cambodia] and UNTAC on deployment of liaison and observer officers of other parties, including the Khmer Rouge, at several points in areas controlled by our SOC. This is aimed at resolving the problem of cease-fire violations and other military issues according to articles of the accord's Appendix 2.

However, judging the Khmer Rouge's concrete stance and activities to date, we have seen that the faction has not yet shown any convincing signs indicating that it has implemented the Paris peace accord despite great encouragement from UNTAC, the other Cambodian parties, and the international community. On the contrary, the faction has intensified its increasingly barbarous and cruel daily activities in violation of the accord and the cease-fire, causing overwhelming disaster to the innocent Cambodian people as well as serious threat to the peace process. As for the already-deployed Khmer Rouge liaison officers, they have not taken part in solving this issue according to the agreement. So the situation concerning truce violations continues to remain a complicated problem in the SOC-controlled zones.

Anyway, concerning the current deployment of the Khmer Rouge liaison and observer officers, we would like to make the following proposals:

1. For the time being our side refuses to allow deployment of the Khmer Rouge's new liaison and observer officers at any points in territories we control;

2. We agree to keep the points at which Khmer Rouge liaison and observer officers have already been deployed, but suspend the deployment at other new points; and

3. For border checkpoints set up in regions controlled by the SOC, including the CV [Cambodia-Vietnam] and CL [Cambodia-Laos] checkpoints along the border respectively with Vietnam and Laos and the CT1 [Cambodia-Thailand] and CT12 checkpoints along the Cambodian-Thai border, we have already allowed the deployment of officers representing other parties and the Khmer Rouge; yet the latter have not stationed their officers there.

Our party will reconsider the continued deployment of the Khmer Rouge faction's liaison and observer officers after the group has shown a positive attitude and a willingness to return to the peace process and fulfill the following conditions:

1. The Khmer Rouge faction must immediately stop its military violations of regions controlled by our party;

2. The Khmer Rouge faction must accept UNTAC's plan to settle disputes over any violations or incidents that may occur;

3. The Khmer Rouge faction must, as the other parties have, open the areas it controls for UNTAC to freely carry out its tasks;

4. The Khmer Rouge faction must allow the other parties to deploy their liaison and observer officers in the areas it controls and at the CT1, CT8, CT9, CT10, and CT11 checkpoints set up by UNTAC; and

5. The Khmer Rouge faction must completely fulfill all the tasks stipulated in the first phase of the cease-fire. As for the already deployed Khmer Rouge officers, they are vehemently prohibited from making use of their roles to get a military upper hand on any parties.

We would like to reiterate that our SOC forces will continue to maintain their unswerving stance on implementing the Paris peace accord with the aim of breaking the deadlock of the outstanding military issues. In any case, the implementation of the Paris accord by all the Cambodian parties is to maintain a military balance, meaning no party will be allowed to have an edge on any parties as H.E. Yasushi Akashi and you, yourself, have already stated. Therefore, you are asked to understand our situation and to take appropriate measures accordingly.

General, please, accept my highest regards.

UN Decision Against KR Sanctions Criticized

BK2411061192 Hong Kong AFP in English 0541 GMT 24 Nov 92

[By Sheri Prasso]

[Text] Phnom Penh, Nov 24 (AFP)—The Phnom Penh government cried foul Tuesday over the U.N. secretary general's recommendation not to impose sanctions against the radical Khmer Rouge [KR] who are refusing to cooperate with U.N. peacekeepers.

"We are afraid that by this accommodating attitude you only encourage the Khmer Rouge to further defy the appeal by the international community," deputy minister and senior government advisor Uch Kim-An said at a press conference.

"We know the Khmer Rouge better," he said. "Diplomacy will not work. Only sanctions could be commensurate with the Khmer Rouge defiance."

The U.N. Security Council is due to meet this week to discuss how to break the impasse in implementing a peace plan ending the Cambodian civil war. U.N. Secretary General Butrus Butrus-Ghali recommended that the council not impose sanctions against the Khmer Rouge, a tactic advocated by the United States and Britain but strongly opposed by China.

Butrus-Ghali said in his report last weekend that he favored quiet diplomacy over knuckle-rapping to bring the faction into compliance.

So far the Khmer Rouge have refused to allow U.N. peacekeepers into the zones they control and have not taken part in preparations for a U.N.-run election to be held in May 1993.

"If the U.N. Security Council will not impose sanctions ... (we) will have to take some measures to protect ourselves," Uch Kim-An said.

He would not say what the further measures would be, only that any hostile action by the Khmer Rouge would be met with hostile action by Phnom Penh government forces.

Uch Kim-An said the Khmer Rouge were moving supplies, weapons and guerrillas up to front-line positions in central Kompong Thom and Battambang Provinces.

The United Nations has reported an increase in small ceasefire violations in recent weeks, but no major offensives.

"Do you want us to just sit there like a duck?" Uch Kim-An asked, defending the government's engagement in ceasefire violations. "We are shooting back in self defense."

He also said the government was "surprised and disappointed" by Thailand's attitude toward imposing sanctions against the Khmer Rouge.

Butrus-Ghali cited in part the impracticality of enforcing sanctions due to the porous Thai-Cambodian border as a reason for not imposing them.

Thai officials have repeatedly stated they would adhere to any sanctions, but that they would be impossible to enforce.

"Whether it would be effective or not, sanctions must be implemented because it has political implications," Uch Kim-An said.

The Security Council does not have to follow the secretary general's recommendation, but is likely to do so.

Thailand Asked To Support Sanctions Against KR

BK2511005692 Hong Kong AFP in English 1156 GMT 24 Nov 92

[Text] Bangkok, Nov 24 (AFP)—Cambodian leader Chea Sim has asked Thailand to support economic sanctions against the Khmer Rouge guerrilla faction, diplomats said here Tuesday.

Chea Sim, Phnom Penh's powerful National Assembly chairman, asked for Thailand's assistance in putting pressure on the Khmer Rouge in meetings with officials during a two-day stopover here which ended Tuesday, the diplomats said.

During his vist, Chea Sim met Thailand's Air Force chief Air Chief Marshal Kan Phimanthip and Deputy Foreign Minister Surin Phitsuwan.

Chea Sim arrived in Thailand on Sunday from Japan and left for Phnom Penh Tuesday.

The United Nations Security Council is currently considering imposing economic sanctions on the radical Khmer Rouge faction which has refused to implement a U.N. peace plan for the country.

Any U.N. sanctions are expected to target the guerrilla group's lucrative trade deals with Thailand, in particular the export of logs and gem stones from its zones of control in northern and westerrn Cambodia.

Thai Foreign Minister Prasong Sunsiri has said he was relieved that U.N. Secretary General Butrus Butrus-Ghali was opposed to sanctions against the Khmer Rouge.

In a report to the U.N. Security Council last week, Butrus-Ghali said he favoured "patient diplomacy" and not sanctions as the way to get the Cambodian peace process back on track.

Phnom Penh government Prime Minister, Hun Sen, was in Thailand earlier this month when he too asked for Thailand's help on the sanctions question in meetings with his Thai counterpart Chuan Likphai and Prasong.

Meanwhile, well-informed sources said the two U.N. leaders in Cambodia were expected in Bangkok later this week for talks with Thai Government and military officials.

Yasushi Akashi, the head of the U.N. Transitional Authority in Cambodia (UNTAC) and General John Sanderson, the head of UNTAC's military operation, were due in Bangkok Thursday, the sources said.

Leaders Pay Homage to Late Kaysone Phomvihan

BK2511054792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 24 Nov 92

[Text] A delegation of the Cambodian People's Party [CPP] and Government of the State of Cambodia [SOC] led by His Excellency [H.E.] Heng Samrin, honorary chairman of the CPP and chairman of the SOC State Council, and H.E. Chea Sim, chairman of the CPP Central Committee, National Assembly, and National Council of the Kampuchean United Front for National Construction and Defense, went to the Lao Embassy in Cambodia on 24 November to pay homage to the late Kaysone Phomvihan, president of the Lao People's Democratic Republic.

In a eulogy expressing the most saddened condolences and infinite regrets to the Lao party and state and the brotherly Lao people as well as the bereaved family, the CPP and SOC Government said H.E. Kaysone Phomvihan is certainly a famous hero and an eminent statesman, who sacrificed his physical and spiritual strength to surmount all manner of difficulties for the cause of the Lao nation and people's independence, peace, freedom, and democracy.

The eulogy underlines that the CPP and the SOC Government will eternally remember the active contribution made by H.E. Kaysone Phomvihan, the revered and beloved leader of the Lao people, to the struggle conducted by the Cambodian people for the sake of peace and national reunification in Cambodia.

Reportage on Birthday Greetings Sent to Sihanouk

PRC President Greets Sihanouk

BK2511071792 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 25 Nov 92

["Message of greetings" to Prince Norodom Sihanouk from Chinese President Yang Shangkun; date not given—read by announcer]

[Text] On behalf of the Chinese Government and people and in my own name, I would like to warmly congratulate you and also extend best wishes on your 70th birthday.

You have for many decades sacrificed your luminous intelligence for the cause of national independence and liberation until the achievement of a victory that earns you great respect from the Cambodian people and profound admiration around the world. Since your return to the motherland last November, you have spared no efforts to ceaselessly pursue your tasks with a view to achieving national reunification and promoting the peace process in Cambodia.

This is the sincerest greeting from the Chinese Government and people to all the Cambodian parties under your intelligent leadership. May they all achieve national reconciliation and join forces to transform Cambodia into an independent, peaceful, neutral, united, and prosperous country.

China and Cambodia are close neighboring countries, and our relationship has already returned to its previous level. The Chinese Government and people deeply appreciate your past important contributions to strengthening and developing relations of friendship between the Chinese and Cambodian peoples.

As always, we will continue to improve relations of friendship between our two countries and peoples in the coming years.

May your highness enjoy the best of health and have a long life.

French Foreign Minister's Message

BK2411071392 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 24 Nov 92

[Text] His Royal Highness Prince Norodom Sihanouk, head of state and chairman of the Cambodian Supreme National Council, recently received a greetings message from Roland Dumas, state minister and foreign minister of France. The message says in essence:

Samdech: Your 70th birthday is an opportunity for me to express warm wishes for your health, happiness, and success in your mission to lead Cambodia. The Cambodian people will always need you to be around as you have been their representative and leader for over 50 years. For this reason, France is determined to do everything for the benefit of the plan to hold the presidential and constituent assembly elections, so that the Paris agreement will be implemented well and Cambodia's stability and union will be ensured.

I take this opportunity to ask you to convey my greetings to your royal consort.

Please believe in my deep respect.

Birthday Message From Suharto

BK2511043192 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 24 Nov 92

["Message of greetings" to Prince Norodom Sihanouk from Indonesian President Suharto; date not given—read by announcer]

[Text] I am very pleased to join the Cambodian people and you to celebrate your 70th happy birthday. Also, I would like to convey the warmest compliments and respects to you.

May your highness enjoy longevity and good health, and may the Cambodian nation successfully achieve its goal of reestablishing a Cambodia with total independence, nonalignment, stability, and peace for the sake of the Cambodian people's development and prosperity.

The signed Paris accord and political determination can only make headway thanks to your action. Although some difficulties have held up the implementation of the accord, I am firmly confident that problems related to previously adopted resolutions can certainly be resolved under your intelligent leadership

Your highness, please, accept my highest regards.

Indonesia

Students Urge Assembly Not To Reelect Suharto

BK2511074992 Jakarta THE JAKARTA POST in English 18 Nov 92

[Text] Jakarta (JP)—Two different student groups visited the People's Consultative Assembly (MPR) yesterday, urging the country's highest legislative body not to reelect President Suharto next year.

The first organization calling itself the Indonesian Association for Social Justice urged the MPR to nominate former Jakarta governor Ali Sadikin to replace the incumbent president.

Similar demands were also made by another group calling itself the Youth Front to Uphold the People's Rights. The front called on the MPR to elect a candidate other than President Suharto but did not name a specific alternative.

The MPR will meet in March to elect a president and vice president of the republic and decide on state policy guidelines for the next five years. Most factions in the law-making body have announced their support for President Suharto's reelection.

The first group represented by five students was received yesterday by MPR Deputy Speaker Akhmad Amiruddin.

The second group, which consisted of around 50 students, failed to meet leaders of the Indonesian Democratic Party (PDI). The students from Java's major cities then resorted to shouting anti-Suharto slogans and unfurling their banners on the stairs of the MPR building.

The students, who became angry when they learned PDI would not receive them, left the building after one hour, abandoning their posters.

PDI is the only party which has not announced its support for President Suharto. The other four factions in the MPR have endorsed President Suharto for a sixth term beginning next March.

The demonstration proceeded peacefully despite the presence of uniformed and plainclothes policemen.

Both groups also called for an end to the current single candidate tradition and said the positions of president and vice president should be limited to only two terms of office.

In response, Amiruddin said the MPR would take note of the students' opinions. "There are some rules, however, that the MPR must obey," he added.

He also said the MPR has limited authority and all decisions must be approved by the five factions and then tabled with the general assembly. He also said individual MPR members do not have personal opinions as their views must reflect those of their factions.

Military Confirms Rebel Leader Moved to Bali

BK2511113292 Jakarta ANTARA in English 1044 GMT 25 Nov 92

[Text] Jakarta, Nov. 25 (OANA/ANTARA)—The Indonesian Armed Forces (ABRI) spokesman, Brigadier General Nurhadi Purwosaputro, said here on Wednesday the captured leader of the Security Disturbing Movement (GPK) in East Timor, Xanana Gusmao, is now in Denpasar, Bali to be interrogated by the policemen.

Xanana's interrogation is being held in Denpasar for his own decision, he told reporters.

"Xanana was captured by ABRI personnel with the help of local people, but further inquiries will be carried out by the police and Prosecution Office staff," he said.

He said that Xanana was captured through an intelligence operation involving four or five men with the help of the local community.

"It was unlike the operations which captured the rebels Kartosuwiryo and Kahar Muzakar [separatist leaders in West Java and South Sulawesi in the 1950's respectively] when ABRI used combat units," he said.

Nurhadi said that in principle there are no objections to the International Red Cross seeing Xanana, but that an appropriate time should be first arranged.

'No Special' Plan for Japanese Plutonium Ship

BK2511102592 Jakarta ANTARA in English 0913 GMT 25 Nov 92

[Text] Surabaya, Nov. 25 (OANA/ANTARA)—Fleet commander for the eastern region Rear Admiral Tanto Kuswanto said here on Wednesday that his fleet has prepared no special operational activities to prevent the possibility of the Japanese ship Akatsuki Maru, which is carrying a load of plutonium, from taking an alternative route through the Lombok Straits.

Our operational system is integrated and coordinated with the other branches of the Indonesian Armed Forces (ABRI) and we are constantly monitoring possible infringement of our marine territory. Routine activities may be enough to ward off the Akatsuki Maru, he said.

Routine activities involve constant continuous observation of shipping traffic within Indonesia's exclusive economic zone, he explained. These activities are part of the Indonesian Navy's efforts to safeguard the country and prevent possible threats and disturbances from enemies, he said.

Indonesia is an archipelagic country with many areas which may be unlawfully penetrated by foreign ships, he said adding that sea patrols are conducted to prevent this possibility.

The Indonesian Navy is monitoring the route of the Japanese plutonium ship, but it needs positive data before taking any action, he said.

The reliability of the Indonesian Navy has been well tested, he said referring to the incident when the navy successfully chased away the Portuguese ship Lusitania Expresso.

Laos

Further Reportage on Mourning for Kaysone

U.S. President Sends Condolences

BK2511042592 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 Nov 92

["Text" of condolence message from U.S. President George Bush to Lao leaders on the death of President Kaysone Phomvihan; date not given]

[Text] In my own name, I would like to convey condolences to your excellencies on the death of His Excellency Kaysone Phomvihan, president of your excellencies' country.

During his tenure in office, President Kaysone Phomvihan took many significant steps to improve relations with the United States, in particular cooperating in the search for POW's and MIA's. Firm success was also achieved in our cooperation to suppress narcotics over the previous years. This issue is considered to be a profoundly significant one for the American people. We also would like to express high appreciation to your excellencies for the various agreements reached during President Kaysone Phomvihan's tenure in office on the increased efforts to help us in connection with this issue.

President Kaysone Phomvihan also led the Lao People's Democratic Republic [LPDR] to implement the open-door economy through the use of new economic mechanisms. His decision to pursue the said economic policy brought about better living conditions for the Lao people. It has also gained close cooperation from the peoples of various countries, including the United States. Following the said successful progress, last year I announced the raising the level of diplomatic relations with your excellencies' country. I hope that based on the said cooperation established by President Kaysone Phomvihan, we will be able to increasingly enhance our bilateral relations.

On this occasion, on behalf of the government and people of the United States, I would like to convey condolences to the Lao people and government of your excellencies.

PRC Leaders Send Condolences

BK2511032792 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 Nov 92

[Message of condolence from Jiang Zemin, general secretary of the CPC Central Committee; Yang Shangkun, president of the PRC; Li Peng, premier of the State Council; and Wan Li, chairman of the National People's Congress Standing Committee of the PRC, to party and government leaders and the family of Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party Central Committee and president of the Lao People's Democratic Republic—date not given]

[Text] We are shocked to be informed that Comrade Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and president of the Lao People's Democratic Republic [LPDR], unfortunately passed away due to ailments. On behalf of the CPC Central Committee, Government, the National People's Congress [NPC] Standing Committee, the people of China, and in our own names, we, with very sorrowful sentiments, would like to express grievous mourning to you, comrades, and through you, to the LPRP, the government, the Supreme People's Assembly [SPA], and the Lao people as well as the bereaved family of Chairman Kaysone Phomvihan.

Comrade Kaysone Phomvihan was an outstanding and precious leader of the Lao party and state. Over the past half-century, Comrade Kaysone Phomvihan devoted all his intelligence and energy to the national liberation cause as well as to the cause of building Laos. He also made a significant contribution to promoting and expanding the traditional friendship between the two peoples as well as the neighborly, harmonious relations and cooperation between the two countries of China and Laos.

The unfortunate passing of Comrade Chairman Kaysone Phomvihan is a significant, great loss for the party, state, and people of Laos. It is also considered the loss of a close friend for the Chinese people. We are convinced that the Lao people will certainly turn the sorrow into a strength to further pursue the cause of Comrade Chairman Kaysone Phomvihan, who initiated and led the building of Laos into a peaceful, unified, prosperous, and strong country.

Thai Royal Family Sends Condolences

BK2511033392 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 Nov 92

[Text] His Majesty King Phumiphon Adunyadet and Her Majesty Queen Sirikit of the Kingdom of Thailand have sent a message of condolence to Lao leaders on the death of President Kaysone Phomvihan. The message reads as follows:

The queen and I have been informed with profound sorrow of the passing away of His Excellency Kaysone Phomvihan. We hereby wish to convey to your excellencies, and through your excellencies, to the people of the Lao People's Democratic Republic [LPDR], in particular to Mrs. Thongvin Phomvihan and members of her bereaved family, our sincere sympathy and condolences on the loss of the outstanding leader of the Lao nation and a good friend of the Thai nation.

On the same occasion, His Royal Highness Crown Prince Maha Wachiralongkon has also sent a message of condolence to Laos. The message reads as follow:

I have learned with sorrow that His Excellency Kaysone Phomvihan, president of the LPDR, passed away on 21 November. I would like to express mourning to the bereaved family of His Excellency Kaysone Phomvihan and to all Lao people on the loss of their leader.

Her Royal Highness Princess Maha Chakkri Sirinthon has also sent a message of condolences. The message reads as follows:

I have learned with great sorrow that His Excellency Kaysone Phomvihan, president of the LPDR, passed away in Vientiane on 21 November. I would like to convey condolences to you and your family on his passing.

In her message of condolences, Her Royal Highness Princess Sister Kanlaya Niwatthana said: I have been informed with profound sorrow of the passing away of His Excellency Kaysone Phomvihan. In my own name, I would like to convey to Your Excellency, and through Your Excellency to Mrs. Thongvin Phomvihan and her family, sympathy and condolences on this great loss.

Russian President Sends Condolences

BK2511035692 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 Nov 92

[Condolence message from Russian President Boris Yeltsin to Lao leaders on death of President Kaysone Phomvihan; date not given]

[Text] I would like to express my deep sorrow on the passing away of Kaysone Phomvihan, president of the Lao People's Democratic Republic—statesman and outstanding politician of Laos and a great friend of the Russian nation. I also would like to convey my sympathies to his relatives and bereaved family on this occasion.

Cambodia's Sihanouk Sends Condolences

BK2511055392 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 Nov 92

[Message of condolences from Prince Norodom Sihanouk, chairman of the Supreme National Council of the State of Cambodia, on the death of President Kaysone Phomvihan—date not given]

[Text] On this mourning occasion, on behalf of the Cambodian people, the Supreme National Council [SNC], my wife, and in my own name, I would like to express profound condolences to Madame Kaysone Phomvihan and her bereaved family, party and government leaders, and fraternal people of Laos. We would like to express respects to and mourning for deceased His Excellency Kaysone Phomvihan. His excellency was a true hero in the struggle to liberate the country and heroic people. Following the liberation, he led his Lao nation to follow the path of freedom, peace, and progress.

For the Cambodian people and myself, we have lost a noble person like His Excellency Kaysone Phomvihan—a great, sincere, and significant leader—who has brought about the glorious development of relations of friendship between the two countries and peoples of Cambodia and Laos.

Organizations Lay Wreaths

BK2511085792 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 25 Nov 92

[Text] The second day of the ceremony to lay wreaths to mourn the death of respected and beloved President Kaysone Phomvihan, who has left us amid an atmosphere of great sorrow prevailing throughout the entire party, Army, and people, was performed between 0900 and 1630 on 24 November.

Laying the wreaths in turn to mourn the late president were representatives of many organizations, local administrations, various strata of people, state and private business enterprises investing in Laos, and their families and relatives.

The wreath-laying ceremony began with representatives of the administrative committee of Vientiane Province; the administrative committees of Saisettha, Chanthabouli, Sikhottabong, Saithani, Nasaithong, and Hatsaifong District in Vientiane Municipality; the administrative committee of Savannakhet Province; and the guard company providing security to party and state leaders. They were followed by Dr. Pradit Charoenthaithawi, rector of the Mahidon University of Thailand; and representatives of the Vangsanthisouk-Lan Xang Company, the Boualapha Phatthana Company, the (?Phasi) Consultancy Enterprise.

The schedule for laying wreaths to pay last respects to President Kaysone Phomvihan in the afternoon began with representatives of the Municipality Import-Export Partnership Company, the [word indistinct] Trading Company, the Vatthana Thavon Company, the Auto Spare Parts Supply Company, the Inter-Oil and Tourism Company, the Central Import-Export Company, the Sakon Department Store, the National Tourism Organization, and many private tourism companies. They were followed by some pensioned cadres from the Foreign Affairs Ministry, representatives of the Alliance of Lao

Residents in France, the Central Santhiphap Company, the Lao Santhiphap Corrugated Iron Sheets Company, the [word indistrinct] Factory, the (?TL Supply) Company of Laos, the (Nobuwa) Trading Company of Japan, the Agricultural Development Company of Pakse, and the Joint Development Bank. The Thai military attache also laid a wreath on behalf of the Military Supreme Command of Thailand.

Members of the immediate families and relatives of the late president also laid wreaths at the ceremony to mourn his death, including Lieutenant General [Kasem Teuanchai] and the families of Konchai and Yout Savannathong.

Philippines

Ramos Launches 'Population and Development Week'

HK2311071692 Quezon City Radyo ng Bayan in Tagalog 0212 GMT 23 Nov 92

[Speech by President Fidel V. Ramos during the ceremony launching the Population and Development Week and the awarding of the Degree of Datu to the late Raphael Salas at Malacanang Palace, Manila—live, in English; italicized passage in Tagalog]

[Text] Mrs. Carmelita Salas and the members of your family; Mr. Chairman; Secretary Ciel Abito; Secretary Johnny Flavier; the distinguished members of Congress; your excellencies of the diplomatic corps and the international agencies; the leaders of the nongovernment organizations that are helping the Philippines in population management; concerned Filipinos; friends; ladies and gentlemen:

I can see from this very substantial crowd that the population management community in the Philippines is very well-populated, but not over-populated—and this simply underlines the fact that population management is everybody's concern. And so, today, as we mark the start of our Population and Development Week, we focus on our current situation and feel the urgency of confronting it now.

The 1990 census yielded a total count of some 60.7 million Filipinos; this means an average of an annual growth rate of some 2.3 percent and a density of some 202 persons per square kilometer. This year, our population is estimated to have increased to some 63 million and is expected to reach 75 million by the turn of the century or just eight years from now.

Our population problems are exigencies that constrict our efforts toward full economic recovery, and so it is not a coincidence that, while we have one of the highest population growth rates in Asia, we also have one of the lowest economic growth rates, resulting in our shrinking per capita income.

More than half of Filipino households remain in poverty, and their numbers increase as our population continues to grow. This is aggravated by the lopsided distribution of the country's wealth. The top 20 percent of the population accounts for over 50 percent of the total income, while the lowest 20 percent account for only 5 percent.

The existence of the most vulnerable among us, our women and our children, is threatened as their access to health care and nutrition services is diminished. We have to generate employment for about 800,000 new entrants to the labor market annually. And so our economic efforts, both at the societal and the family levels, continue to exact pressure on our physical environment, particularly in the rural areas.

The declining level of resources in the rural areas, combined with the unstable peace and order conditions in many places, forces rural residents to go to the cities, only to join the legions of the unemployed and the underemployed and contribute to further the problem of overcrowding and urban plight.

Economic need has forced the increasing number of people in the lowlands to seek refuge in the uplands, further adding pressure upon the fragile ecology of our already eroded uplands forests.

So what is to be done? There are no easy solutions, as all of you well know. It is now time for unwavering action and caring support from all who are concerned—and I mean everyone. I reiterate what I have said before, we must once and for all accept the basic premise that the serious imbalances in our economy and our environment have been aggravated substantially by our country's rapid population growth.

Our government's development agenda contains evidence of the demographic dimensions that bear upon our goals of sustainable growth—poverty alleviation, reduction of inequality, generation of productive employment opportunities, and the attainment of social justice. We look ahead to the next six years with the determination to become competitive and to join the ranks of our dynamic Asian neighbors, through the overriding strategy of people empowerment.

This in a sense means having quality population. Thus we are now developing appropriate policies and program measures on the interrelated problems of poverty, slow economic growth, rapid population growth, and environmental degradation. And, as it becomes increasingly clear that our population situation impairs our human development aspirations, we articulate a coherent and comprehensive policy that responds to the needs and challenges of our time. We must now do all our share towards forging unified efforts to support this policy.

Providing for the needs of our growing population is a huge task, but, really, the people are not the problem. In fact, the solution to our population problems lies in their hands. We are looking at the quality, the quantity, and the distribution of our people tackling this problem.

Regarding the advocacy of family planning for health and economic reasons, government values the welfare of individuals and their families as much as it values the welfare of the larger Filipino society. Individuals and couples have a basic right to plan and manage the size of their families voluntarily and responsibly according to their needs and endowments. This is the heart of our family planning program. Government is obliged to provide information and services on the available range of family planning methods. At the same time, it respects the right of every individual and couple to make their own choices based on adequate information and according to their religious beliefs and convictions.

This administration also adheres to the constitutional provision for protecting the rights of the unborn and therefore rejects abortion as a means of contraception.

But family planning measures and responsible parenthood do not constitute the entire solution; they must be enhanced by policy that would provide better access to quality education, ensure child survival and maternal health, employment opportunities, access and control of the people over resources, and fuller participation of our women in attaining sustainable development.

We not only need a well-managed and a well-nourished population; we also need an empowered population—a population that before long should be adequate and self-reliant in terms of their livelihood and the economy.

There is still time for us to find the true solutions to our population problems. To do this, we must muster a collective national will strengthened by the resolute determination that our future lies in the unity of our purpose and the achievement of the balance between population and resources.

I therefore now take this opportunity to call on all sectors and all of you here to support our population program. First of all, I am directing the Department of Interior and Local Government to ensure that all provincial governors, city and municipal mayors, and all local executives integrate the population dimension in formulating the plans and policies of their respective areas. [applause] They must also provide for family planning information and services within the context of local government autonomy. An authentic population program is one which operates meaningfully in local communities and is participated in by the people themselves. Translating this into reality now lies in the hands of our local executives.

Second, I am calling on the members of Congress, both of the Senate and of the House [of Representatives], to find ways to increase public funds for activities for population management and family planning. [applause] *Let us be thankful for the hearty applause given by Congressmen Tessie Oreta, Gary Teves, and Rene.*

I am also directing all cabinet members to factor in our population problems in formulating and executing their respective agencies' policies and programs. [applause] And I call on all nongovernment organizations, the private sector, as well as the religious groups and the concerned citizenry to support our population objectives and goals.

To firm up these calls for action, I am directing the Commission on Population to immediately put in place... [Ramos changes thought] This is putting in place—we are finished with the planning—a national program of action that we will strictly follow for the next six years. [applause] These programs should effectively integrate and get the support of all sectoral population management endeavors within our framework for sustainable development. And part of this call to action is an acknowledgement by the Philippine Government and the Filipino people for the generous and continuing support and understanding being extended to us in our population program by the international population management community. [applause] Thanks very much, ladies and gentlemen.

I now call upon our people to follow the example of the late Raphael Paeng Montinola Salas, whose efforts in formulating population development programs bore fruit in their recognition as a local concern. And I am most pleased an proud to be the one to confer, even posthumously, the Order of Sikatuna, Degree of Datu, our highest award for civilian service, to Paeng Salas, a well-loved countryman, who served the nation and the world with the utmost distinction and honor. And I add my personal welcome and felicitations to Mrs. Carmelita Salas for being here today to receive this award for Paeng.

I would like you to know that Paeng and I were classmates in high school, as freshmen at the U.P. [University of the Philippines] High School many, many years ago. I was the president of that class; Paeng was the new boy from the provinces. But, in 1969, I was assigned to this very place as an assistant military assistant [audience laughs], under the supervision of the then Executive Secretary Paeng Salas. [audience laughs and applauds] And that most valuable experience working under him—learning about coordination, learning about people's concerns, learning about the national interest—I say to you stood me in good stead. The loss of the great Filipino—the death of Paeng Salas [words indistinct]. I wish he were here beside me today. [applause]

As we firm up our resolve to find lasting solutions to our country's population problems, let us recall the visions of Paeng Salas and take heart in the knowledge that a Filipino had blazed the trail and the world followed. As one nation acting together we can—and we will—duplicate his feat. We will unite to pursue the shared vision of a progressive nation by the turn of the century. A nation whose population gathers strength by contributing to and not hampering its own growth. Let us do this by uniting in our population management program before time runs out on us. Together let us march towards a more prosperous future through a sound population control program.

Thank you and long live us all. [applause]

Thailand

Chuan Makes 'Impassioned Plea' for Public Patience

BK2511020592 Bangkok BANGKOK POST in English 25 Nov 92 p 1

[Text] Prime Minister Chuan Likphai last night made an impassioned plea to the public to give his Government time to perform its duties and warned his partners in the five-party coalition that the road ahead was not without problems.

On the Opposition's prediction that his administration would not last longer than three months, the Prime Minister said his Government will last more than three months and even much longer "until the Opposition feels bored with it."

Speaking to reporters in the presence of leaders of the four other parties in his coalition, the Prime Minister maintained that the meeting last night was just a social gathering during which no politics was discussed.

"There wasn't much to it. We came to have dinner together. We didn't discuss politics. We came to relax. We will meet again later," said Mr Chuan.

He said it was agreed that leaders of the five coalition parties will get together again in the same manner as they did last night at the Princess Hotel.

The Phalang Tham Party will host the next get-together, Mr Chuan said.

He insisted that there was no serious conflict among this coalition partners, only difference of opinion on some issues.

The Prime Minister admitted that it was not easy for the parties in his coalition to see eye to eye on all issues.

"Please give us a chance to work. If we fail, the people would not allow us to work again anyway," he said.

Mr Chuan ruled out the possibility of the Government collapsing because of the difference of opinion among the coalition partners.

On Chat Phatthana Party leader Chatchai Chunhawan's criticism that the Prime Minister lacked experience and was slow in making decisions, Mr Chuan said: "I don't want to say that we have seen a example of a government which was so confident of itself that it collapsed."

The difference of opinion on issues such as the farm council bill election of provincial governor and amendment to the Islamic law was not discussed last night. These problems will be worked out by the Government coordinating committee, he said.

To avoid further conflicts on sensitive matters, the Prime Minister said the meeting agreed that only those directly responsible would be allowed to speak on those issues. For example, he said, comment on the Khmer problem will be made only by the Foreign Minister while he himself will handle the stock market problem or the deputy prime minister, or the Finance Minister.

In the future all draft bills will be proposed in the name of the Government, not by a particular party.

He also said Government "whips" have been instructed to ensure that the five coalition partners toe the same line on all parliamentary issues. Asked about the alleged remark by Deputy Prime Minister Bunchu Rotchanasathian that the Prime Minister tended to monopolise power, Mr Chuan said, as a prime minister, he had to take the blame for everything and, therefore, he was supposed to know everything. But he assured that he would not meddle in the affairs of the other ministers.

Reaffirming his ability to work with all Cabinet ministers, Mr Chuan said: "I am not interested to which party a minister belongs to because our objective is the same."

Questioned about his supposed lack of decisiveness, Prime Minister Chuan side stepped the question, saying some former prime ministers thought they were decisive but ended up being ousted.

Premier Names Ministerial Committees

BK2511022792 Bangkok BANGKOK POST in English 25 Nov 92 p 30

[Text] Prime Minister Chuan Likphai yesterday issued two orders appointing members of the Council of Economic Affairs Ministers and the Council of Social Affairs Ministers. [This and following additions and variations are from a similar report by Bangkok THE NATION in English on 25 November. Here THE NATION adds: "Prime Minister Chuan Likphai yesterday set up three ministerial committees to handle economic issues, social problems and the Chao Phaya River basin water shortage, according to a PM's Office announcement."]

The Council of Economic Affairs Ministers will be chaired by the Prime Minister. Other members are the five deputy prime ministers, PM's [Prime Minister's] Office Minister Sawit Phothiwihok, the ministers of Finance, Foreign Affairs, Agriculture and Agricultural Cooperatives, Transport and Communications, Commerce, Interior, Science, Technology and Environment and Industry and the secretary-general of the Cabinet.

The secretary-general of the National Economic and Social Development Board, the director of the Budget Bureau and the governor of the Bank of Thailand will act as advisers to the council.

The Council of Social Affairs Ministers will also be chaired by Mr Chuan. Other members are the five deputy prime ministers, PM's Office ministers Thoetphong Chaiyanan, Surasak Thiamprasoet and Col Chinnawut Sunthonsima, the ministers of Defence, Foreign Affairs, Interior, Justice, Science, Technology and Environment, Education, Public Health and University Affairs and the secretary-general of the Cabinet. [THE NATION adds: "The third committee is to work out a plan to solve water shortage in the Chao Phaya River basin area and submit the plan to the Cabinet for approval."]

New 'Top-Level' Committees Discussed

BK2511031792 Bangkok THE NATION in English 25 Nov 92 p A6

[Editorial: "New National Committees Must Avoid Politicking"]

[Text] The formation yesterday of three top-level committees to coordinate national economic and social policies and tackle the looming water shortage on the Chao Phraya plains has come at a time when the Chuan administration is under growing criticism for having achieved little in its first two months in office. Their establishment had all the appearances of standard bureaucratic response to meeting pressing national problems. And so it should not give the premier or anyone else on his Cabinet the false impression that these three new committees are a solution to the problems.

In the first committee on economic policy, ministers of all the five key economic ministries (on commerce, communications, agriculture, industry, and finance) will work closely with the ministers of Foreign Affairs, Interior, Science and Technology, PM's Office Minister Sawit Phothiwihok, and the four deputy premiers under the chairmanship of Premier Chuan. The NESDB [National Economic and Social Development Board] secretary-general, the Budget Bureau director and the Bank of Thailand governor are advisers to the committee.

The committee looks very much like the council of economic ministers during the Prem administration in the 1980s. But one major difference is that the committee will directly involve the interior minister for the first time in handling national economic policy issues.

Deputy Premier Amnuai Wirawan, a non-MP appointed on the New Aspiration Party quota, openly pushed for the inclusion of Interior Minister Gen Chawalit Yongchaiyut on the economic committee. His main argument was that economic development in the provinces could hardly succeed without close cooperation from the Interior Ministry. This is certainly true. The Interior Ministry plays a major role in maintaining public safety, looking after labour welfare and providing through its state enterprises basic utilities such as tap water and electricity, which are essential factors in all industrial operations.

In the second committee handling social policy issues, ministers from all except the five economic ministries, plus three PM's Office ministers (Thoetphong Chaiyanan, Surasak Thiamprasoet and Col Chinnawut Sunthonsima) and the four deputy premiers are assigned to formulate policy measures to cope with national social problems caused by the rapid changes to Thai society. They will be assisted by the permanent secretaries for the PM's Office and Education, the NESDB secretary-general, the Budget Bureau director, and the National Security Council secretary-general, who serve as advisers.

Premier Chuan also chairs the social committee. But what he can do with it remains to be seen. In the past, some government administrations did form a similar group of ministers from non-economic ministries to concentrate on national social problems, but mostly with little success. Maybe Premier Chuan can redress this by assigning the social committee to stop child prostitution and expand compulsory education from six to nine years.

In the third committee to tackle water shortages, Minister Sawit appears to be in charge though the committee is formally chaired by Premier Chuan. Other senior politicians on the committee are the ministers of Interior, Agriculture, and Science and Technology. Also included are the NESDB secretary general, the Electricity Generating Authority of Thailand (Egat) governor, and the director of the National Water Resource Office.

Interestingly, only Premier Chuan, Interior Minister Chawalit and Science and Technology Minister Phisan Munlasatsathon—the latter two are the key figures in the New Aspiration Party—are on all three committees. This could be an indication that New Aspiration is determined to make its presence felt in all national issues, and that Phisan may still want to hold on to his post of secretary-general in the New Aspiration Party despite strong pressure from inside the second largest government party to replace him with Deputy Premier Amnuai.

Normally, breaking up the Cabinet into smaller committees should speed up the decision-making process and improve policy coordination among government agencies. But Premier Chuan must still exert his leadership so that these committees operate with good teamwork and put national interests before personal and party interests. The election campaign is long over. This is not a time for politicking ... it's the time to tackle national problems and make the Thai people happier.

Prince, Princess To Attend Kaysone Funeral

BK2511034592 Bangkok THE NATION in English 25 Nov 92 p A2

[Text] His Royal Highness Crown Prince Maha Wachiralongkon will attend the cremation of the late President of Laos, Kaysone Phomvihan, on Nov 28 in his capacity as His Majesty the King's representative, a well-placed source said.

HRH Princess Maha Chakri Sirinthon was expected to attend the ceremony in her own capacity, the source said.

The two members of the Royal family have both visited Laos previously as part of efforts by the Thai government to improve Thai-Laotian relations, which soured during the Ban Romklao border conflict from 1986-87.

Princess Sirinthon, who has an interest in Lao history and archaeology made her second visit only last month. Her first was in March 1990.

HRH Princess Kalaya Niwattana was scheduled to visit Laos between Nov 28 and Dec 1, but has cancelled the trip because of Kaysone's death.

The source said Foreign Minister Prasong Sunsiri would travel to Vientiane on Friday to prepare for the royal visit, and was expected to attend mourning rites for the Lao leader later that day.

Prasong had earlier planned to visit Laos from Nov 19-21, but rescheduled his trip at Vientiane's request.

It has not been announced who will represent the Thai government at Kaysone's funeral.

Prime Minister Chuan Likphai yesterday visited the Laotian embassy in Bangkok to sign the condolence book.

Government offices throughout the country have been ordered to fly the national flag at half mast from Monday to Wednesday this week as a sign of respect for Kaysone.

On Monday Chuan and Prasong sent separate letters to the Laotian government expressing their regret at the death of a great leader who was one of the original Indochinese old-guard revolutionaries.

The body of the anti-imperialist rebel has been lying in state at Prathat Laung Temple since Sunday while Laotians pay their last respects.

Government offices, schools and businesses have been closed.

Foreign dignitaries have been invited to attend the official memorial service on Saturday, which will be followed by the funeral in the evening.

Officials at Nongkhai and Loei reported that activity along the Thai-Laotian border was normal yesterday.

However, Deputy chief of Immigration Sun Plaiprahan, at Nongkhai, said a few tourists had complained they were refused entry into Laos because they had not been able to obtain a visa from the Laotian Embassy in Bangkok, which has been closed since Kaysone's death.

In Chaiyaburi province, opposite Loei, people were reportedly practising Dharma's five principles and giving food to the monks to mourn the death of Kaysone. The local Laotian governor held a cermonial memorial ceremony and worshipped at Kaysone's picture.

Border Talks With Burma End Without Decision

BK2411155192 Bangkok BANGKOK POST in English 20 Nov 92 p 11

[Text] Chiang Mai—The meeting of the Regional Thai-Burmese Border Committee ended yesterday without a final decision on the ownership of Hill 491 in Chumphon. But the leader of the Thai delegation, Third Army Commander Lt-Gen Yingyot Chotphimai, admitted that parts of the hill in Tha Sae District may belong to Burma. Soldiers from both sides are now based on the hill.

"The watershed is the dividing line between the two neighbouring countries," he said. "The committee has also agreed to set up a joint working team to inspect the area very soon as our maps are not very clear," said Lt-Gen Yingyot, insisting that the meeting was a very constructive one. "We will hold further talks with the Burmese authorities in a week or two."

Lt-Gen Yingyot refused to say who would serve on the future delegation as this depends on his army superiors. After a delay of six hours, both sides yesterday eventually signed the agreement minutes covering certain issues. The two sides agreed there must be an effective communications link at the local level between the two countries, especially in "sensitive areas".

"We proposed an initial link in Mae Hong Son, but details of the system still have to be worked out." Lt-Gen Yingyot said his delegation sought new border checkpoints in Kanchanaburi and Prachuap Khiri Khan provinces to supplement the one planned for Mae Sai-Ta Chilek.

"The checkpoint in Kanchanaburi will link Phra Chedi Sam-ong (the Three Pagoda Pass) with Phaya Thon Zu in Burma. We proposed Singkhon Point for the checkpoint in Prachuap Khiri Khan, but Burma asked for more time to find a more suitable location on its soil."

Burma also asked for more time to study the setting up of any new permanent checkpoints.

"But the Mai Sai-Ta Chilek checkpoint is very likely. We are also eyeing another one at Mae Sot in Tak," he said. The two sides also discussed prostitution issues.

"We are specifically concerned with child prostitutes from Burma and will cooperate closely to control the flesh trade along the border."

The meeting was the seventh of its kind. The next will be held in Burma in April.

Meanwhile, intelligence sources said Burmese troops of the 262nd Battalion which is occupying Hill 491 has stopped hoisting their national flag over Thai territory. The Burmese troops, however, still man the hill and their movement can be monitored from a nearby road, the sources said.

The Burmese troops have not hoisted their flag for the past three days after the Armed Forces Deputy Chief-of-Staff Gen Charun Punsanong said last week that

Thailand may use force to repulse Burmese soldiers who have occupied this strategic hill. Hill 491 has been occupied by Burmese soldiers since late February this year, and at present is manned by Burmese troops under the command of Lt Col Ko Ko Kyaw.

The Burmese troops occupying the other strategic site of Ban Hin Kong, a border pass in E-Tong village of Thong Pha Phum District, in Kanchanaburi Province, are reported to be on the alert for possible attack by Thai forces.

Sources said the border pass has been occupied by the Burmese troops since December 16, 1991. Burmese troops manning this position have not lowered their flag and are reportedly improving their defensive positions in anticipation of an attack by Thai forces.

Army Proposes Communications Hotlines With Burma

BK2511014992 Bangkok BANGKOK POST in English 25 Nov 92 p 6

[Text] Communications hotlines between Thai and Burmese officials at both regional and local levels would help in the solution of border conflicts, Third Army Region spokesman Col Banyong Sirasunthon said yesterday.

Col Banyong said communications between the two sides was now done by letters normally delivered by messengers, "which is very inconvenient and timeconsuming".

The problem was raised by the Thai delegation at the Thai-Burmese border committee meeting in Chiang Mai last week and the Burmese delegation agreed to consider the issue. The Burmese did not say when they would give an answer.

Col Banyong said Thai authorities at the regional and local levels wanted to be able to contact their counterparts directly so conflicts could be solved before they escalated.

He said Thailand already had the facilities available which could be put into use as soon as Rangoon agreed.

Col Banyong then said the conflict over Hill 491 in Chumphon Province following its occupation by Burmese troops could have been solved quickly if there were direct communications links between officials from the two sides.

Burmese Students Concerned About Refugee Center

BK2511024192 Bangkok THE NATION in English 25 Nov 92 p A7

[Text] The Interior Ministry yesterday held a discussion with Burmese students, seen as its last attempt to convince them to enter the Bt [baht] 13 million holding centre in Ratchaburi, but it appeared to be in vain.

Representatives of the authorities concerned responded to the queries of the Burmese students on the holding centre. Deputy Permanent Secretary to the Interior Chaiwat Hutacharoen stressed at the meeting that the Police Department would take legal action against Burmese students who fail to report to the ministry and enter the centre by the end of this month.

Chaiwat said after Nov 30, Burmese students who stay outside the centre and whose identity cards have expired face the possibility of arrest.

"If the Burmese students agree to stay at the centre it means they want us to protect them. But if they refuse to do so, we will no longer have the authority to protect them," Chaiwat said.

Burmese students will be separated from other illegal migrants if they stay at the centre, formerly a military camp renovated at a cost of Bt 3 million from the national budget.

A Burmese student, present at the meeting, expressed uncertainty over the security of the camp, saying Burmese students, some of them women, had been abused by Thai police previously.

Another Burmese student showed a reproduction of a picture of the then Supreme Commander Gen Chawalit Yongchaiyut in conversation with the Rangoon military junta's former leader, Gen Saw Muang.

The caption quoted Chawalit as telling Saw Muang that he would try to convince Burmese students residing in Thailand to return home.

That student asked: "How can we be sure that we will be safe now that Gen Chawalit has become Interior Minister?"

He asked the Thai government to postpone the deadline for the Burmese students and a ministerial resolution to send the Burmese students to the centre be amended.

Praphakhom Samiti, director of Foreign Affairs of Interior Ministry, replied that such issues have to be discussed by the Cabinet. In answer to a request by the same students for them to continue their studies in a Bangkok university, Praphakhom said at the holding centre, they would be provided with several levels of education, including scholarships granted by the UNHCR [United Nations High Commission for Regugees].

A UNHCR representative said at the meeting that the holding centre was the best solution the Thai government could provide for their protection.

A student told reporters that he would not to enter [as published] the holding centre, and when asked what if he is arrested and later deported, he said he was prepared to face his fate.

Chaiwat said Thailand had already postponed its deadline twice for the students to report for entry into the centre.

Praphakhom said that not only Burmese students but also about 200,000 illegal migrants in Thailand would be apprehended.

Praphakhom gave an assurance to the Burmese students that once they were in the centre, the Thai government would be prepared to discuss proposals raised by the Burmese students.

Official Affirms Commitment to Cambodian Peace

BK2511122592 Bangkok Voice of Free Asia in Thai 1030 GMT 25 Nov 92

[Text] Speaking to reporters at 1500 today, Sakthip Krairoek, director general of the Foreign Ministry's Information Department, said that the Thai side will not dispute with Uch Kim-an, spokesman of the Phnom Penh regime, over his accusation that Thailand has succumbed to the military pressure in maintaining trade with the Khmer Rouge. In this regard, he said, the Thai side has clearly made known its attitude that Thailand will cooperate with the four Cambodian factions in bringing peace to Cambodia and the United Nations in compliance with any relavant resolution of the UN Security Council. So far, it is obvious that Thailand has been making every possible effort to overcome the state of stalemate in the peace process in Cambodia.

He revealed that Thailand has been consulting with countries concerned and the United Nations over various measures being worked out by the UN Security Council. Meanwhile, the Thai military, administrative officials and all sectors concerned are making necessary preparations. Thailand believes that any measure to be used in Cambodia must be considered carefully. In this connection, Thailand has attached more significance to a durable peace in Cambodian than its own interests. The fighting inside Cambodia, if allowed to recur, will adversely affect the Cambodian people in the entire country and the Thai people along the Thai-Cambodian border and will pose a threat to regional stability and safety.

Air Force Commander on Image, Plane Purchases

BK2511020392 Bangkok BANGKOK POST in English 25 Nov 92 p 3

[Text] The people now have a better image of, and more faith in, Thailand's Armed Forces because soldiers have stayed away from politics since the May incident, Air Force commander-in-chief Kan Phimanthip said yesterday.

Speaking at his first press conference since taking office, ACM [Air Chief Marshal] Kan said after May the situation was very bad and public faith in the military was "full of problems".

Six months after the bloody crackdown on pro-democracy protesters, ACM Kan said that the people have given the military justice after they showed that they have stayed away from politics.

This has improved their perspective of the military and they now have more faith in soldiers, the Air Force chief claimed.

Asked about the calls by the Students' Federation of Thailand for the secret military budget to be examined, the Anti-Communist Act to be abolished and the transfer of the Internal Security Operation Command to the Prime Minister's Office, ACM Kan said that the military understands the current situation and are staying away from matters that are not related to the Armed Forces.

They will not even interfere in the proposed cut in the number of senators and would abide by whatever the Government wanted. Soldiers became senators, because they were "invited" to help solve problems. If the country did not want this then they would step back.

As for the secret fund there are regulations covering its use and not all of it can be revealed because it would endanger national security. However, the military are willing to reveal the use of the secret budget where they can.

Asked about the criticism that the military was too involved in business since they sit on the board of multi-million baht state enterprises, ACM Kan said that there are regulations covering which type of state enterprises soldiers can serve on. If the regulations were to be changed the military would have no problems resigning their positions.

He said that it was natural for some people to still have doubts about the military, but soldiers are willing to explain anything on which the public has doubts.

Told that one of these "doubts" concerned alleged corruption in the purchase of weapons, ACM Kan said that there are many committees in charge of selecting and purchasing weapons and any irregularities can be traced back to their origin.

He said that there were no irregularities during his term so far because the Air Force is not buying any new weapons.

Asked about reports that the Air Force was buying L-19 trainer planes at a price considered too high, ACM Kan said the Royal Thai Air Force has evidence to prove that this was not true.

He said the purchase of the planes, approved by former air force chief ACM Kaset Rotchananin, at a cost of 2.1 million baht each, was not high because some of the models were more expensive because they were equipped with the latest technology.

Asked how he viewed the possible closure of the border with Cambodia, ACM Kan said that Khmer representatives have lobbied him on the issue but he is still prepared to support the establishment of peace in Cambodia.

Thailand will cooperate fully with the United Nations resolutions to this end. He said that some of the factions were worried that the Khmer Rouge had made a lot of money from the border trade, however, he has told them that this was an insignificant sum compared to all the nations in the world trading with the three other factions.

He said that the military actually only has the duty of helping to build roads in Cambodia and does not give any special support to the Khmer Rouge. Thai officials have nothing to do with trade which is being carried out by merchants.

He declined to comment on the Khmer Rouge promise to protect the traders.

ACM Kan said that the military does not agree with the UN request to establish checkpoints on Thai territory and did not believe that the Thai Government agreed with this either.

However, he stressed that the matter would rest with the Government's decision and the military would follow this to the letter.

Further on Kan's Remarks

BK2511024992 Bangkok THE NATION in English 25 Nov 92 p A2

[Text] Air Force commander in chief Kan Phimanthip warned his officers yesterday those found to be involved in irregularities in the purchase of arms for the air force would be dismissed.

"They will not be able to avoid it," ACM [Air Chief Marshal] Kan told a press conference. "If they risked involvement in any irregular activity, they risk being dismissed."

His tough statement came after he was queried about the purchase of 39 L-39 Albatros jets from Czechoslovakia which critics said cost too much.

Kan then defended his deputy, ACM Suthep Thepharak, who was directly responsible for the aircraft deal.

He explained that the air force had asked for the installation of additional equipment to the aircraft, thus increasing the cost of each plane to US$2.5 million (about Bt [baht] 62.5 million) instead of US$2.1 million (about Bt52.5 million).

Kan insisted that any arms deals during his tenure as the air force chief would be carried out in a transparent manner. Rut he added that the air force did not have enough budget to purchase any items now.

However, he said the air force still required various types of weapons as many of the existing models were beyond repair. He also said the air force was in need of a number of medium-sized transport aircraft.

He said shortly after he replaced Kaset as the air force chief in early August that he had no immediate plans to buy more military hardware because his predecessor had already bought a lot of new munition, particularly another squadron of sophisticated F16 fighters.

Referring to the welfare of air force staff, Kan said he had consulted Prime Minister Chuan Likphai on the matter and asked for some Bt800 million-Bt1 billion to provide quarters for his personnel.

He added that Chuan pledged to arrange a fund for the 1994 fiscal year because the government had no time to include this programme in the current fiscal year.

Kan said it would take about four to five years to realize this project.

He said the present quarters for the air force personnel were inadequate as several units had been built 50-70 years ago.

Kan said he would like all air force officers in Bangkok to live in the Don Muang area, which is near their workplace. The air force also planned to build schools for children of air force personnel there, he added.

Credits Extended to SRV for Goods, Services

BK2511063192 Bangkok Radio Thailand Network in English 0000 GMT 25 Nov 92

[Text] Thailand will extend long-term credits worth 150 million baht to Vietnam for the purchase of goods and services from Thailand. The cabinet yesterday approved the extending of a 20-year credit to Vietnam in accordance with an agreement initialed by both countries on 25 September this year. Minister of Foreign Affairs will sign the agreement on behalf of Thailand. The Ministry of Foreign Affairs will coordinate with the Ministries of Finance and Commerce and the Krung Thai Bank Limited on the implementation of the credit plan.

The 150 million baht credit will be extended through the representative offices of the government of Vietnam for the purchase of goods and services originated in Thailand to be used in Vietnam within one year after the agreement enters into force. They are largely goods and services for infrastructural development projects. Krung Thai Bank and the State Bank of Vietnam are implementing the program. The credit program covers a period of 20 years with a grace period of 10 years and carries an interest of 3 percent per year.

Vietnam

Hanoi Cites Senator's Call To Lift Embargo

BK2411144892 Hanoi Voice of Vietnam in English 1000 GMT 23 Nov 92

[Text] U.S. Senator John Kerry has called on the U.S. to partially lift its embargo against Vietnam by allowing U.S. companies to open their offices in Vietnam. According to REUTERS, following his five-day Vietnam visit, Senator John Kerry highly appreciated Vietnam's efforts in the settlement of the MIA issue. He also requested those who are suspicious to stop their allegations that Vietnam is secretly holding American remains.

Radio Comments on Outcome of Visit

BK2411150192 Hanoi Voice of Vietnam in English 1000 GMT 24 Nov 92

[Station commentary]

[Text] This is the second time within six months that Senator John Kerry has visited Vietnam. He is president of the Senate Select Committee on the POW/MIA issue.

At the end of this year, the committee will have to submit a report to the government on work of the MIA problem. It is certain that the report will contain significant results.

During earlier visits to Hanoi, especially the recent visit, he witnessed the active contributions in settling the MIA issue. He said that one year ago the MIA office was not established in Vietnam and we did not have accurate documents, (?the Americans claimed). But now we have everything. This is a great progress.

He pointed out that in his recent visit, President Le Duc Anh intervened so that the American team could [words indistinct] and inquire into the situation. American and Vietnam war veterans may exchange information on MIA's. Vietnam has allowed the U.S. side to have access at its archives.

He confirmed that Vietnam does not hide reality but shows its goodwill. That is why before leaving Ho Chi Minh City, Senator John Kerry called for an end to [words indistinct] and allegations that Vietnam is still holding American soldiers' remains. He even challenged that it is moot to hold a central review on this issue to pinpoint where the remains are kept. He said: I will say that this is a slander. Vietnam has done everything it can. It is time for the world to respond to Vietnam's goodwill. This is a two-way road.

In Washington, he called on the U.S. Government to restore the U.S.-Vietnam relations. He is not alone. Senator Daschle, who accompanied him to Hanoi, commented that the process of settling the MIA issue has achieved significant results. It has advanced quickly forward due to the active cooperation of Vietnam.

Khmer Rouge Response To New UN Deadline Urged

BK2411143992 Hanoi Voice of Vietnam in English 1000 GMT 20 Nov 92

[Station commentary]

[Text] The United Nations Security Council has decided to give more time for the Khmer Rouge to return to the peace process in Cambodia until January 31, 1993. Here is our comment on the UN decision:

This is the dateline and also the last chance for the Khmer Rouge to join the peace process in Cambodia. Diplomatic sources from the UN Headquarters said even with this dateline the Khmer Rouge will not change its attitude. It will be exempted from the general elections in Cambodia.

With this decision, the United Nations has once again proved its goodwill and patience toward the Khmer Rouge. In fact, the international body has always created conditions for the Khmer Rouge to join the peace process in their country. If the Khmer Rouge really cherish peace and security for their own country and their compatriots' interest—that is to have a stable peace to rebuild and develop the country—they should respond to the UN decision.

Having completely withdrawn its troops from Cambodia, Vietnam has no other ambitions in the country than strengthening and developing the traditional relations between the two peoples.

The Khmer Rouge should not jeopardize this relationship by their slanderous accusation. Like the UN and other countries, Vietnam hopes that the Khmer Rouge responds positively to the Paris Agreement on Cambodia so that January 31, 1993 will be the first day for a strict implementation of the peace process in Cambodia without any obstacle.

French Warship Curtails Visit in Flag Dispute

BK2511041692 Hong Kong AFP in English 0343 GMT 25 Nov 92

[Text] Hanoi, Nov 25 (AFP)—The first Western warship to visit Vietnam since 1975, a French frigate, cut short its port call and left Haiphong on Wednesday after a dispute over raising the Vietnamese flag, Vietnamese and French sources said.

The Nivose sailed out at dawn, less than 24 hours after arriving on what was supposed to be a three-day courtesy call, Haiphong municipal officials said by telephone.

Vietnamese officials had told the Nivose that visiting ships were referred by law to fly the Vietnamese flag, but the frigate's captain said that violated French regulations and international naval protocol.

Both sides played down the "technical issue," with Vietnamese military and civilian officials staging elaborate welcoming and departure ceremonies for the Nivose. Vietnamese officials stressed that they had not asked the ship to leave.

While Western warships called on former South Vietnam until the fall of the U.S.-backed Saigon government in 1975, the Nivose was the first to visit northern Vietnam since the end of French colonial rule in 1954.

Though planned since July, the port call happened to come the week before Chinese Prime Minister Li Peng was to visit Hanoi for talks on Sino-Vietnamese terriorial and maritime disputes.

"It shows we have succeeded in diversifying our military relationship, a Vietnamese source said.

Newly out of a French shipyard, the Nivose called at Djibouti, Singapore, and the Cambodian port of Sihanoukville enroute to Haiphong. It was to pay a final call at Hong Kong before joining the French fleet at Tahiti.

More on French Warship's Visit

BK2411153992 Hong Kong AFP in English 1512 GMT 24 Nov 92

[Text] Haiphong, Vietnam, Nov 24 (AFP)—The first visit of Western warship to a northern Vietnam port since the end of colonial rule in 1954 was marred Tuesday when the French frigate refused a demand to fly the Vietnamese flag.

The French military attache, Lieutenant Colonel Daniel Schaeffer, said the disagreement was "only a technical question," but Vietnamese officials at Haiphong, 100 kilometers (60 miles) east of Hanoi, were fuming.

"It means they don't recognize Vietnamese sovereignty," charged one senior customs officer, who said it was standard practice for all foreign ships entering Vietnam's ports to fly the red flag with yellow star.

(In Paris, a French military source said that under international regulations, only merchant vessels and sailboats raise the host country's flag.

("Warships never do it and no country does it," he said.)

The surveillance frigate Nivose arrived in Haiphong on the morning tide Tuesday for what both sides called a three-day "courtesy visit" to reinforce friendly relations.

Vietnamese naval and civilian officials staged an elaborate welcoming ceremony for the Nivose, but the crew was obliged to stay on board all day while negotiations over the flag dilemma took place.

"We'll try to find a solution, but the Vietnamese don't want to lose face and the French navy can't lose face," said an embarrassed French diplomat in Hanoi.

For the Vietnamese, the Nivose's port call was overlaid with heavy political and historical connotations from the start.

Delayed one day by a storm, the frigate arrived on the anniversary of the 1946 French army and naval bombardment of Haiphong. Estimates of the Vietnamese killed that day range from 6,000 to 20,000.

But Vietnamese diplomats who had lobbied for the first visit by a Western warship to Vietnam since 1975 found the timing fortuitous, since it came just one week before Chinese Prime Minister Li Peng was to visit Hanoi for talks on territorial and maritime disputes between the neighbors.

"It shows China that we've succeeded in diversifying our military relations," said a Vietnamese source, who added that Vietnam's navy could use a modern frigate like the Nivose to defend the disputed Spratly Islands.

French diplomats categorically denied that the first visit of a Western warship to Vietnam since the reunification of the country in 1975 had any link to the tensions between Vietnam and China.

"This is a courtesy visit, the kind we make all the time to friendly countries," a diplomat said.

Newly out of a French shipyard, the Nivose called at Djibouti, Singapore, and the Cambodian port of Sihanoukville enroute to Haiphong. It was to pay a final call at Hong Kong before joining the French fleet at Tahiti.

All the foreign merchant ships anchored at Haiphong were flying the Vietnamese flag on their mainmasts, with their own national flags generally lower down near the stern.

But the Russian military attache in Hanoi said that when Soviet or Russian warships called on Vietnam, they would raise the Vietnamese flag only on special occasions, notably Vietnam's national day.

"Russian naval protocol is based on international naval protocol," he said.

A French naval bombardment of the central Vietnamese port of Tourane, now Danang, in 1847 signaled the start of France's colonial conquest of Indochina.

The Haiphong bombardment came as the French reimposed their colonial rule after World War II, when Vietnam was occupied by Japan. The Vietnamese secured their independence in 1954 after defeating the French at Dien Bien Phu.

Doan Khue Addresses Gathering of War Veterans

BK2411141792 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 21 Nov 92

[Text] On 20 November at the Defense Ministry's headquarters, the Military Commission of the party Central Committee and Ministry of National Defense held a get-together with the Central Committee of the Vietnam War Veterans Association, elected recently by the national congress of the association, and delegates from war veterans associations in all provinces and cities throughout the country.

On behalf of the Military Commission of the party Central Committee, the Ministry of National Defense, and all cadres and combatants of the Vietnam People's Army [VPA], General Doan Khue, member of the party Central Committee Political Bureau, deputy secretary of the party Central Committee Military Commission, and minister of national defense, warmly congratulated the Vietnam War Veterans Association on the occasion of the fine success of its congress. The general also expressed the joy of seeing the typical war veterans—the comrades with whom he had fought alongside for several decades for sake of victories in the struggle for national liberation, construction, and defense.

He said: Today, apart from its practical activities with the aim of contributing both intellect and energy to the country's renovation process, the Vietnam War Veterans Association pays special attention to maintaining and illustrating the heroic VPA's nature and traditions.

In a speech on behalf of the Central Committee of the Vietnam War Veterans Association, Comrade Nguyen Trong Vinh, vice president of the association, expressed the determination to join the entire people and army in contributing all their intellect and energy to the country's renovation process.

Vo Van Kiet Pays Working Visit to Soc Trang

BK2311143092 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 22 Nov 92

[Text] From 19-20 November, Prime Minister Vo Van Kiet paid a working visit to Soc Trang, which forms a new province following a recent redelineation of its administrative boundaries and which is one of the two Mekong River Delta provinces where many compatriots of Khmer ancestry had suffered heavy losses from Typhoons Nos. 6 and 7.

In a serious exchange of views with the comrade local leading officials on the problems that this newly established province is facing, the prime minister stressed the need to correctly assess the not-too-great yet very significant results of socioeconomic development in the province since the redelineation of its administrative boundaries. He also touched on the reasonability of the redelineation of administrative boundaries and the basic advantages that this move has brought about in the application of major steps to speed up the pace of socioeconomic development.

The prime minister reminded everyone of the need to effect population redistribution in the localities inhabited by compatriots of Khmer ancestry, taking into account the objectives set by the various economic development projects to exploit the Ca Mau peninsula area and bearing in mind the need to pay due attention to pagodas and monks and nuns, as well as to know how to make good use of pagodas as venues for religious, cultural, and educational activities. It is necessary to work out a promotional capital loan policy in support of production to help gradually reduce the number of poor households and overcome the bad practice of granting loans at high interest rates, which prevails in the Mekong River Delta rural areas.

Visits Southern Provinces

BK2511092792

[Editorial Report] Hanoi Voice of Vietnam in Vietnamese at 1430 GMT on 23 November carries a two-minute report on Prime Minister Vo Van Kiet's visit to Vung Liem District of Vinh Long Province to attend the 52th anniversary of the Autumn Uprising. Vo Van Kiet was one of the district's leading cadres in the uprising. On this occasion, "In his address at the ceremony, Prime Minister Vo Van Kiet called on everybody to return to the origin from which they started. He said that that origin is ever a source of pride and strength for Vietnamese generations enabling them to triumph over poverty and backwardness and to brighten the glorious tradition of the nation and Great Uncle Ho. He also visited Tan An Luong Village, where he led military attacks to destroy two enemy ferries in Mang Thit River and Chanh Hoi military installation 52 years ago."

Hanoi Voice of Vietnam in Vietnamese at 0500 GMT on 24 November carries a one-minute report on the working session held by Prime Minister Vo Van Kiet with leaders of Can Tho, An Giang, and Kien Giang Provinces. He urged the leaders to intensify measures to improve local production and counter goods smuggling and corruption.

Hanoi Voice of Vietnam in English at 1000 GMT on 24 November carries a report of less than one minute on Prime Minister Vo Van Kiet's working visit to Soc Trang Province. Earlier, he had held a working session with the leadership of Can Tho, An Giang, and Kien Giang Provinces. Soc Trang Province is inhabited by a large number of Khmer people and was badly hit by recent typhoons.

Prime Minister Appoints Youth Affairs Minister

BK2311091192 Hanoi VNA in English 0722 GMT 23 Nov 92

[Text] Hanoi VNA Nov. 23—The prime minister has appointed Minister Ha Quang Du to be in charge of youth, sport and physical training affairs of the government.

The prime minister has also appointed Ho Duc Viet, first secretary of the Central Committee of the Ho Chi Minh Communist Youth Union, as vice director of the Committee for Child Protection and Care.

Military Region Takes Measures To Stop Desertion

BK2311100792 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 18 Nov 92

[Text] The 1st Military Region Command recently instructed echelons, sectors, and units of the Armed Forces in the region to carry out an extensive drive to find the causes of and formulate concrete measures to limit and finally stop desertion.

Various Army echelons and units have taken positive measures to limit and stop desertion in their localities. They have strived to consistently and firmly grasp the Army's policy to effectively carry out the education and training task and to resolve other issues to meet the legitimate aspirations of soldiers. Echelons of cadres must set a good example for soldiers to encourage them to place their confidence in the Army and to enthusiastically carry out assigned tasks. Serious measures must be taken against cadres who impose acts of militarism on combatants, while efforts must be made to ensure justice in granting incentives in order to promote observance of disciplines, to encourage units to abide by rules and regulations, and to improve their daily lives.

Each echelon and unit must pay appropriate attention to the daily lives of combatants. Efforts must also be made to refrain from reducing the budget and facilities alloted to Army units. Immediately, measures should be taken to provide better quality meals for the Army while television sets should be supplied to Army battalions to entertain their members.

Thanks to positive measures taken during the past period, discipline has been strictly observed by units in the 1st Military Region. During the last six months, desertion at units of the region was reduced by 15-18 percent as compared to the previous six months.

Vice Premier Receives Indonesian Health Minister

BK2411061992 Hanoi VNA in English 0603 GMT 24 Nov 92

[Text] Hanoi VNA November 14—Vice Prime Minister Phan Van Khai received here yesterday the visiting delegation of the Indonesian Ministry of Public Health led by Minister Adhyamta.

President at the reception were Minister of Public Health Nguyen Trong Nhan and Indonesian Ambassador Juana.

Phan Van Khai expressed his satisfaction at the fine development of the friendship and cooperation beween the two countries especially the newly-agreed measures to strengthen bilateral cooperation between the health services of the two countries.

Miister Adhyamta told the vice-premier that the two sides had laid the ground work for an agreement on cooperation.

First Food, Foodstuff Exhibition Previewed

BK2111073292 Hanoi VNA in English 0635 GMT 21 Nov 92

[Text] Hanoi VNA Nov. 21—A food and foodstuff fair-exhibition, the first of its kind so far in Vietnam, will open on Dec. 12 in the provincial capital of Can Tho, the biggest rice granary of the country.

Organizers are the Minsitry of Agriculture and Food Industry, the Ministry of Light Industry, the Ministry of Commerce and the Ministry of Culture and Information.

The fair will introduce achievements of food production in Vietnam with the display of a wide range of farm produce, special native products and processed foods for both domestic consumption and export.

Agromonists said of the 24 million tonnes of rice expected for the whole country this year, 10.6 million tonnes would come from the Mekong Delta.

Last year Vietnam produced 22.6 million tonnes and shipped abroad 1.2 million tonnes. This year the export volume is estimated at 1.9 millon tonnes.

Nearly 24 Million Tonnes of Food Produced in 1992

BK2511064592 Hanoi VNA in English 0625 GMT 25 Nov 92

[Text] Hanoi VNA Nov 25—In 1992, food production in Vietnam reached almost 24 million tonnes, 2.1 million tonnes more than last year and 1.6 million tonnes over the planned target.

That was reported at a conference held by the Ministry of Agriculture and Food Industry in Nhatrang City, central Vietnam, on November 23-24.

1992 also saw a substantial increase of cattle breeding. The number of buffaloes rose to 2,950,000, up 2.4 percent over last year, cows and oxen to 3,250,000 up 3.5 percent, pigs to 12,300,000 up 1.4 percent, etc.

Agricultural exports chalked up 610 million US dollars [USD] in value, 10 million USD over last year.

The conference also discussed measures to implement the agricultural plan for 1993 which calls for among other things a total food output of 24-24.5 million tons in paddy equivalent including 1.5-22 million tonnes of paddy, and the export of 1.8-2 million tons of rice.

Australia

Trade Minister Welcomes U.S.-EC Subsidies Deal

BK2411130392 Hong Kong AFP in English 0407 GMT 21 Nov 92

[Text] Sydney, Nov 21 (AFP)—Australia sees the resolution of the farm subsidies deal by the United States and the European Community as a means of wrapping up the Uruguay Round of trade talks, a top official said Saturday.

Australia's Trade and Overseas Development Minister John Kerin joined the global chorus in welcoming the agreement.

"It's very welcome news and it really means we now can get back to Geneva and get down to seriously winding up the Uruguay Round," Kerin said.

The agreement ends the U.S. threat of punitive tariffs on a variety of E.C. exports, and eases a logjam that has stalled a broader global trade agreement being negotiated by the General Agreement on Tariffs and Trade (GATT).

"Unfortunately the oilseed subsidies and dispute between the E.C. and U.S. became inextricably linked with GATT's Uruguay Round when they were really two separate things," said Kerin.

Kerin said he and U.S. Trade Representative Carla Hills had repeatedly stated the oilseed issue should not be linked to the Uruguay Round, which covered not only agricultural subsidies, but also tariffs and protection on textiles, manufactured goods and financial services.

Kerin, en route to Vladivostok for an Australia-Pacific-Russia meeting, said he also felt the announcement vindicated the 14-nation Cairns group of agricultural exporting nations, chaired by Australia, which was formed five years ago to provide an alternative view to the one expoused by the two trans-Atlantic trade giants.

"A lot of people have been very cynical and sceptical of the Cairns group's aim to free up world trade but the decision endorses the group and the Australian Government's commitment to it," he said. "All the hard work done by successive trade ministers and their department officials over the years has been worth it."

New Zealand

Politicians, Farmers Hail GATT Breakthrough

BK2411130792 Hong Kong AFP in English 0335 GMT 21 Nov 92

[Text] Wellington, Nov 21 (AFP)—New Zealand's political leaders and farming representatives Saturday hailed the agreement that has unlocked the stalled GATT negotiations as an exceptionally good deal that would have a major impact on the country's economy.

Prime Minister Jim Bolger, speaking in a radio interview, said it was the best Christmas present New Zealand could have.

"Its importance can't be overstated for an agricultural trading nation like New Zealand," he said. "It's what we have been fighting for—a much fairer set of rules for trade in agricultural products."

Trade Negotiations Minister Philip Burdon said in an interview with the New Zealand Press Association that he was "simply delighted." "It is an exceptional deal for New Zealand. The prospect of escalating global retaliation between the E.C. and the U.S. has been put to bed."

The leader of the opposition Labour Party, Mike Moore, who was trade minister in the previous government, described the agreement on the oilseed production and farm subsidy problem as "excellent progress in the right direction." "It is the clearing of an obstacle and an agreement to go into other issues," he said in a statement.

The politicians would not predict the financial gain New Zealand could get but the nation's farming association, Federated Farmers, forecast it would lead to a multi-billion dollar boost to the economy. Senior vice president of the federation, Malcolm Lumsden, said in a statement he estimated liberalisation of world trade could see dairy prices increase by 60 percent and beef prices by about 27 percent over the next few years. He said he expected the country to gain a trade balance improvement of about six billion New Zealand dollars (3.1 billion U.S.).

"New Zealand stands to benefit more than any other country in the world. We are now in a good position internally with low inflation and with a competitive exchange rate to pick up the benefits," he said.

Tonga

Taiwan's Chien Hails King as 'Stability Force'

BK2511023292 Hong Kong AFP in English 0146 GMT 25 Nov 92

[Text] Nuau'alofa, Nov 25 (AFP)—Taiwan's foreign minister Frederick Chien has hailed Tonga's beseiged king as "the force of stability in the kingdom," where the monarch rules with near absolute power.

He left here Tuesday after giving Tonga 1.74 million U.S. dollars in aid. His visit coincided with an unprecedented convention called by commoners seeking to convince King Taufa'ahau Tupou IV to relinquish some of his powers.

An interview with Chien was broadcast several times Tuesday and Wednesday by the state-controlled Tongan Broadcasting Commission.

He told the radio that Taiwan had made a "rather rapid" transformation into a democratic country.

"Unlike many advanced democratic countries like United States, France, we find, our people find, that the very rapid transition to democracy may not be the best," Chien said. "It tended to disrupt stability at home."

He said it was fortunate Taiwan had good economic and educational development behind it and could afford "to have this little political exercise."

He said he hoped Tonga would learn from what had happened in Taiwan. Democracy had to go hand in hand with economic development, he said.

"Parliamentary democracy is a very good institution. We are not adopting parliamentary democracy. Our constitution is patterned after both the presidential and parliamentry systems.

"But for the Kingdom of Tonga you have a very important institution, that is his majesty the king.

"His majesty, in my humble opinion, is the stability force in the kingdom."

He said the king was acting for the well being of Tonga.

He said he had spent three hours with the king Taufa'ahau as well as meeting Prime Minister Baron Vaea and Foreign Minister Crown Prince Tupouto'a.

Chien said he spent most of his time talking on bilateral issues because "Tonga is a rapidly developing country."

He said he shared Taiwan's experiences over the last four decades.

"We were very grateful for the support the Kingdom of Tonga has given us in international affairs."

Tonga, Nauru and the Solomon Islands are the only members of the South Pacific Forum to recognise Taiwan.

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The new round of multilateral trade negotiations, scheduled to be held this week at the earliest, is expected to press ahead with the compiling of a revised draft agreement within this year. High on the agenda will be the lowering of tariff rates; the strengthening of GATT rules; and monetary, communications, and transportation services and trade, that will directly affect the industrial activities of our nation. The Japanese Government should participate in the negotiations after hastily deciding what sort of attitude it should take.

As for lowering tariff rates, for example, such raw materials and products as copper, lead, ingot gold, and leather, in which Japanese enterprises do not have strong competitiveness, will be subject to tariffs. How specifically will the rates be set?

As to rules on the prevention of dumping, the draft comprehensive agreement falls short of fully restricting unilateral retaliatory trade actions against the dumping. If the draft comprehensive agreement is left intact, European nations and the United States may continue to abuse their anti-dumping rules.

The creation of the multilateral trade organization (MTO) in place of the GATT has been proposed to implement the broad-ranging accomplishments to be generated from the new round of multilateral trade negotiations.

Of the numerous issues, rice is the most knotty one for Japan. Regarding the import of farm products, the draft comprehensive agreement proposes that Japan regulate the import of rice by using the wall of tariffs, not by directly restricting rice imports.

As to this "tariffication without exception," it is said that the Japanese Government intends to demand that rice be treated as an exception. Will it really be possible to treat rice as an exception? Is this demand the way to reconstruct Japanese agriculture?

The United States and the EC agreed to cut the export of subsidized farm products by 21 percent over the next six years. They agreed to reduce the export of subsidized agriculture products without changing the framework of the draft comprehensive agreement.

The Ministry of Agriculture, Forestry, and Fisheries claims that Japan's demand and the U.S.-EC compromise agree on the point of the need to revise the draft comprehensive agreement, but the scope of the revision differs totally. It is hard to anticipate that Japan will be able to win full support for its position from other nations participating in the negotiations. We believe that the Japanese Government should first accept the general framework of the tariffication and then take steps to keep it from inflicting drastic damage on rice growers.

It is a matter of course for the Japanese Government to pursue its national interests in future negotiations. The United States and the EC continued negotiations on trading areas involving their crucial interests for almost eight months. Once they reached agreement, they suddenly pressed Japan for trade concessions. This illustrates how self-indulgent they are.

It is true that the Miyazawa Cabinet wasted a lot of time and failed to take vigorous steps to reconstruct Japanese agriculture while the United States and European nations quarreled with each other. What is notable in negotiations between the United States and European nations is the isolation of France, which stuck to a policy of protecting its farmers. Although France maintained a hard-line policy against the United States, it failed to win support from the other EC member nations.

We believe that Japan will become another France in the new round of multilateral trade negotiations if it sticks to the policy of complete self-sufficiency in rice.

Komeito Official Hints at Political Party Reshaping

OW2511090392 Tokyo ASAHI SHIMBUN in Japanese 21 Nov 92 Morning Edition p 2—FOR OFFICIAL USE ONLY

[Text] Komeito Secretary General Yuichi Ichikawa, in an interview carried by "SHUKAN POST" in its 21 November edition, highly rated former Secretary General Ichiro Ozawa of the ruling Liberal Democratic Party [LDP] for his recent moves. As for the regrouping of political parties, the secretary general of the second largest opposition party said: "I think political forces that share the same views on political reform will try to forge a new political force. I believe that (Komeito) will not need to remain an independent political party. We would not mind forming a new political party with other political groups that share the same ideas." In this way, Mr. Ichikawa made clear that his party would actively participate in discussing the formation of a new political party. He made the remarks bearing in mind a possible new political group with the Takeshita faction's Mr. Ozawa, and those remarks are likely to have a ripple effect inside and outside Komeito.

On the regrouping of current political parties, Mr. Ichikawa emphasized his party's basic position, which aims to create a new power axis without allowing either the LDP or the main opposition Social Democratic Party of Japan to become the center. Referring to moves by Mr. Ozawa and other politicians, he said: "A chance has come to change Japan's politics. It would be of little significance if the division of the Takeshita faction does not lead to a split in the ruling party." Thus, Mr. Ichikawa explained that he expects the division of the Takeshita faction to cause current political parties to regroup themselves.

Intellectual Property Issues in Industry Viewed

932A0014A Tokyo SHUKAN DAIYAMONDO in Japanese 26 Sep 92 pp 102-110—FOR OFFICIAL USE ONLY

[Article by Toshio Fukagawa, Manabu Kando, and Ms. Shibutami of the DAIYAMONDO Company's Technological Information Editorial Dept.: "An Assessment of the Intellectual Weapons of 110 Prominent Japanese Companies"]

[Text] Although real estate and negotiable securities are fundamental corporate assets—that is, latent assets—their overall value dropped substantially following the collapse of the bubble economy. Within this context, there are items whose value has continued to rise in singular fashion. These are patents and copyrights, which are called "intellectual property." Let's take a close look at the status of "intellectual property" in prominent companies in this age of "skyrocketing intellectual property values."

Patents: A Company's Third Product

The reader is probably aware of a product called "Post-It." It is undoubtedly in everyone's desk drawer as a medium on which to write a note. There are also undoubtedly many people who also use "Post-It" as bookmarks. "Post-It" was introduced in the United States in 1980 and it was an unusual specialty product. In addition to possessing fundamental secret manufacturing know-how, the inventing company patented the surrounding technology, so that competitors would be unable to use it.

Patents and know-how are called "intellectual property." As symbolized by this example, attention has come to be focused on them as powerful weapons by which to gain a market lead, and as sources of corporate development strength, in contrast to actual products themselves.

In making clear the substance of "intellectual property," DAIYAMONDO has attempted to make it a business indicator, called an "intellectual property indicator (IP ratio)." Although patents, utility models, designs, trademarks, and copyrights are counted as "intellectual property," patents with high asset value are pivotal. As the reader may remember, Minolta and Sega were recently caught up in the U.S.'s patent offensive and were caught in the predicament of having to pay large settlements.

Japanese companies have adopted the position that "patents are a company's third product" and are being forced by necessity to plan for their effective and strategic application to an extent that U.S. companies are not doing.

We have made the intellectual property ratio a business index by investigating and analyzing the "intellectual property" and "patents" of 110 prominent Japanese corporations from the point of view of "quantity," "quality" and "control."

The Issue: Enhancing "Quality"

At the top of the intellectual property ratio in this investigation were the leading electronics manufacturers Hitachi and Fujitsu. As representatives of the high-tech industry, they focus strength on the development of leading-edge technology, thereby aggressively encouraging inventions. In particular, the majority of their patents overwhelm everyone else in terms of "quantity" and "control." However, many companies come up short in terms of the ability to boast that quality matches quantity. Relatively few patents applied for are finally awarded, and in one sense this symbolizes a trend in patent applications made by Japanese companies.

On the other hand, the strenuous efforts in this arena of chemical companies such as Mitsubishi Chemical Industries and Mitsui Toatsu Chemicals are striking. Although the number of patents awarded in the chemical and pharmaceutical industries is quite small, using patent rights effectively in terms of quality, which might be called "elite selectivity," affords them high value and protects a company's intellectual property.

There were more than 300,000 patent applications in Japan in 1985, making Japan a world superpower in terms of patent quantities. However, from a quality point of view, no one can claim anything like parity with quantity.

In Japan's patent system, to gain the rights to an invention for which an application is being made, it is necessary to submit a "search request" to the Patent Office. Inventions for which search requests are made account for 50 to 60 percent of all applications. Furthermore, inventions whose search requests pass, and for which patents are granted, amount to about one third of all applications. In the true sense, to become an "asset" an invention goes through a registration procedure following the awarding of the patent. Although prior to now there was no intention of turning into an "asset" something which continually changed, of late "specious figures" which are "immediately put forth" are of course coming out in advance. A glut of applications invites delays in patent searches, a fact which was pointed out in the U.S.-Japan Structural Impediments Initiative talks.

At the Patent Office, in contrast to companies which make many patent applications, notably electrical manufacturers, the award ratio (the ratio of awards to search requests) is being shepherded to the 80 percent rate of the United States and Europe. There are many on the corporate side who think, "In any event, in the past, applications tended to be made because the resultant costs were low. Now, even if application fees are absurd, it makes good sense to encourage efficient applications for a variety of reasons."

The U.S. Strategy Vis-a-Vis Japan and the Background to Industrial Softening

Aggressive thinking which will take strategic advantage of "intellectual property," namely patents and rights of

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authorship, and which will give rise to increased earnings, has rapidly spread among U.S. companies since the Reagan Administration. Given a background where intellectual property is given heed, in this way they first intensified their patent strategy vis-a-vis Japan.

Already having difficulty increasing profits by "making things" where Japan has the lead in the development of high-tech products and in production technology and quality control, U.S. companies are planning to use intellectual property, namely "basic patents" they hold, as rollback weapons.

A second reason for the great concern over intellectual property is that with the spread of computers, manufacturing has softened. Although in the past, the hard aspects of "making things" was at the center of technology, now the emphasis is on the soft aspects that are somehow applied. Computers require not only the technology to produce them, but also require efficient software. In addition to patents, the definition of intellectual property has been broadened to include software copyrights and the rights to semiconductor circuit design. Recent organizational changes within companies where there is rapid growth from "patent departments" to "intellectual property departments" reflect the reality of the expansion of these kinds of protected objects. In the future, the scope of intellectual property will expand further and will have an increasing impact on company performance.

The Pressing Need To Transform Basic Technology Into Intellectual Property

Still, there are powerful voices who say that if there is too much emphasis on the value of intellectual property, it will in the future invite reduced technological development. "A department which holds strong patents will loathe to invest enthusiasm in new product development" (Toshiba intellectual property general manager [Tadasuke Norichika]). As Mr. [Norichika] stated, the intent of Japanese companies is not to follow the path of their U.S. competitors. "The maximized approach, which is to apply patent rights advantageously, is first to use the patented technology in one's own company's manufacturing, to give high added value to products, and to gain superior market position" (Mr. [Norichika]). However, the principle is to tie to earnings, through licensing, those items which do not fit a company's line of business.

Relying too much on patents will essentially lead to a violent fall by neglecting the development of new technology. While planning to strengthen their unique production strength, Japanese companies must be challenged on the two themes of striving to develop basic technology and to accumulate intellectual property.

Using these points as a basis, let us turn now to trying to examine the reality of three industries that are hurrying to improve patent quality: electronics, chemicals which are making striking advances into new fields, and the automotive industry which has a broad base of supporting companies.

The Electronics Industry: The Shift From "Quantity" to "Quality"

The Impetus for Fewer Patent Applications

The number of patents awarded to the three leading electronics makers exceeds 10,000 each (1991): Hitachi, Ltd., 10,831; Toshiba, 12,886; and Mitsubishi Electric, 11,836. This far outpaces other industries. Many products combine numerous technologies, such as computers, semiconductors, and home electrical appliances. "Because of the many elements of process, materials, fabrication, and uses of one manufactured product, it is absolutely necessary to have many patents" (Toshiba departmental head [Norichika]).

Still, if we look at the shift to numbers of patents, we find that for all companies there has been somewhat of a decline compared to their peak period. Comparing 1991 to 1986, Hitachi (40 percent reduction), Toshiba (20 percent reduction), and Matsushita Electric (23 percent reduction) have all experienced rather substantial reductions. The managers of these electronics makers are unanimous in their moving "from quantity to quality" in patents.

Against this background are first the administrative policies of the Patent Office whose aim is to reduce examination delays. Just six electronics makers (Hitachi, Toshiba, Mitsubishi, NEC, Fujitsu, and Matsushita) account for one fifth of all patent applications made in Japan. Necessarily the pressure is strong to reduce the number of patent applications.

Secondly, we cannot overlook that with the amendments to the Patent Law in 1987 a start was made on numerous provisions. "The scope (claim) of each patent request is increasing and we are progressing toward larger scale patents" (Mr. Ogawa, director of the intellectual ownership rights department at Hitachi, Ltd.). As a result, the number of patents has been reduced, with many emphasizing that, by reducing the number of applications, the trend has been toward greater efficiency. This was done even before the increased foreign and domestic pressure to do so.

Furthermore, there are those who also point out the disadvantage that, "The time and manpower which go into inventions that lead to a beneficial increase in numbers of patents, are limited" (Toshiba department director [Norichika]).

A unique characteristic of the electronics industry is the major difference between the number of patents applied for and the number of patents granted. This is one reason why the electronics industry has been criticized by other industries: "It makes too many frivolous applications." Until now there have definitely been many "hasty applications," of which many are "defensive applications" (making application so that other companies cannot acquire the rights even if the applying company has no intention of using them). Although the patent award rate (the ratio of patents awarded to patents applied for) has been steadily climbing, the rate is still very low when compared to other industries. A more efficient application process and a raising of the patent award ratio are major tasks facing the industry.

The Concentration on Strengthening Patent Departments

The battle array of intellectual property departments required just to control this number of patents is not trivial. For example, at Hitachi, Ltd., the staffing of the intellectual ownership rights department is about 350 people. There are 24 company lawyers, and Hitachi says that in the future the trend is to develop more. Even at Toshiba the trend toward strengthening their patent department is evident. Each year a number of people are dispatched to the U.S. Patent Office to make overseas applications and to learn the business of dealing with disputes. Already Toshiba has more than 50 people doing this. The company is gathering the strength to respond to suits. "If we are sued, we will countersue" (Mr. Ogawa). This all points to strategic management of intellectual property.

Organizational changes, reflected in the name changes from the old "patent department" to the new "intellectual property department" or the new "intellectual rights ownership department," have spread throughout the industry and even beyond. Among the leading industry companies, NEC, which had maintained its "patent department," formed an "intellectual property department" as of this September, increasing its staffing. All fourteen major companies in this industry as of our study have now accomplished this name change. Although the major reason for the change is the multiplicity of copyrights which must be dealt with, the phrase "intellectual property" does have a nice ring to it and the PR effect is an added benefit. Companies report that there are increasing numbers of new company employees wanting to get into this field.

Turning Intellectual Property Into Earnings

Industry-unique is its "open licensing policy," which is one avenue for increasing earnings being tried through the awarding of lucrative patents. In particular, since 1970 Hitachi has offered "completely open patents" with the aim of effectively making use of idle patents. "Although this is not an earnings mainstay, we want to make it one" (Mr. Ogawa). This reflects widespread thinking. Still, every company more than once has encountered competitors seeking open patents. There is malicious gossip, however, that, "What these companies really want to do is dispose of idle property to smaller companies."

Accounting standards for income from patent fees are complex, and obtaining accurate earnings figures is difficult. There are quite a few cases where the contracts include not just net patent fees but also fees for the know-how to use the patented technology. In many cases the contents of an agreement are secret. Apparently there are also quite a few cases of foreign payments which never surface. The contents of agreements Hitachi, Fujitsu, and others have negotiated with IBM are almost all secret. In a true sense, actual patent fee income cannot be made clear.

The approach of the closed license, which permits the mutual use of patents held by other companies and patents of one's own company, is extremely common. "One TV set uses something like a thousand patents. If companies don't work together, nothing can be built" (Toshiba department manager [Norichika]).

Although in the past normal patent applications were classified by company technicians and the electronics industry emphasized "quantity," the trend toward "cultural change" is underway. "Having climbed this mountain we are on the way down the other side with the brakes applied" is a truthful frame of mind, but the industry "is not holding its breath waiting" for a complete turnabout to "quality."

The Chemical Industry: Its Task Is To Intensify Its Response to New Fields

Shifting to a Multifaceted Strategy

Warnings from other companies concerning patent applications are called "love letters." These love letters arrive in the intellectual property departments of the chemical industry for the most part several times a month. Compared to the electronics industry where there may be ten or more such warnings on any given day, on the whole, responses to patent disputes are not that severe.

A unique characteristic of chemical industry patents compared to other industries, is that the value of each patent is high. For example, if for pharmaceutical products one patent is taken out for one basic substance, that in itself can stand alone in the marketplace as an extremely strong right. The same is true for raw materials other than pharmaceuticals. For this reason, every company spends considerable time and expense moving forward with the development of patents, and has adopted ways of earnestly acquiring them. Nonetheless, this approach crosses diversified business lines, which complicates matters. The fact that patent rights are strong, is a major risk in disputes. A prior search done at the time of application must be thorough. It is a double-edged sword.

Moreover, the chemical industry is square in the middle of a structural slump. Every leading chemical company is planning new business development and is seeking ways to move toward the development of functional products with higher added value, away from the manufacture of raw-material-based products.

All industry companies, based on this trend, not only must alter the thrust of their patent applications, but are being forced to respond differently from ever before in the strategies for their intellectual property departments. According to a survey conducted by DAIYAMONDO, as their task for the future, the majority of companies affiliated with the chemical industry are strengthening their capabilities for responding to new fields.

The Rapid Increase in Patent Applications in the Electronics Field

What is of concern in this trend of the chemical industry toward entry into new fields, are its increasing points of contact with the electronics industry. In particular, if it is to actively enter the field of functional materials, such as laser and magnetic disks, their seeking patent control to the same level as the electronics industry is unavoidable.

Mitsubishi Chemicals, which is in the mainstream business of the future for developing memory media, has in the past 10 years increased nearly 10 times the number of patent applications it has made in the physics and electronics fields, from about 30 to more than 300. The number of applications made by the company as a whole in the past 10 years has almost doubled to about 400 patents, giving ample evidence of the rapid increase in its patent applications in these fields.

As discussed earlier, a company can claim broad rights by taking out patents related to basic substances in raw materials-related technology. In contrast to this, technology can be disaggregated to multiple levels in the electronics appliances industry, such that if a company does not take out a specific patent, it cannot claim the specific rights. Because the production of one product involves combining individual technologies, patent rights become complexly intertwined. When a new company enters such a field, there is an inevitable and rapid increase in the number of patent applications.

Furthermore, there are already numerous cases in the electronics field where electronics makers, primarily in the United States and Europe, are pressing for basic patents that cover core technology. In order to turn this into a core business, companies are weaving in the granting of closed licenses. For chemical companies to participate in negotiations in the same arena as electronics makers as new participants, "It will be necessary for a company to the degree it enters this field, to fall in line with other companies on the numbers of patents in order to compete" (Mitsubishi Chemicals intellectual property department manager [Shokei] Hashimoto).

Until now, each chemical company conducted diligent searches prior to making a patent application, with the result that there were relatively few disputes. However, with leading companies and others diversifying their businesses, their entry into the electronics field has a direct bearing on the increasing number of patent applications they are making. The result is that attention is no longer paid to fine-grained detail in patent applications. A debate is going on concerning how much prior searches are really necessary if one thinks in terms of efficiency, because it is a field in which mountains of patents of mixed merit are being applied for. In order, for reasons of patent search procedures, not to miss the timing required to turn something into a new line of business, "there is an inevitable growth in the number of cases in which the train is departing before everyone is aboard" (Mitsubishi Chemicals department manager Hashimoto).

There is meanwhile a growing possibility that patent disputes will occur through aggressive advancement of overseas business development, even as chemical companies make entry into new business fields. "An established policy is necessary within a company such that when a patent dispute arises, patent risk management is integral and identifies the responsible organization, the person in charge, and guidance for conduct" (Mitsui Petrochemicals patent department manager [Juko] Nakajima).

In order for the electronics industry and overseas companies to ride out the rough seas, each chemical company "must aim to acquire strong patents that approach being basic discoveries" (Mr. Nakajima). More than ever chemical companies will be seeking to accumulate sound intellectual property.

The Automobile Industry: The Issue of Intellectual Property Control Within the Group

The Frequent Occurrence of Disputes With Individual Parties

Those running the automobile companies ask, "What is the future task regarding the control of intellectual property?" The answer back from other industries is, "Strengthen your ability to respond to patent disputes." In reality, every automaker has been involved in a variety of patent disputes.

However, the reality is that the injured party is not covered particularly. The reason is that in many cases the disputing party is not an automaker but merely an individual inventor. A representative example of this is a patent dispute over the so-called "intermittent wiper," which is an apparatus that periodically moves the windshield wiper during light rains and which is now included on nearly every car. The disputing party was an individual American inventor named Harold [Cannes]. In addition, there are basic patents covering "personal computers" relating to "graphics technology for use in manufacturing automobiles," first involving Jerome [Remeruson] and later Gilbert Hyatt as disputing parties. When the disputant is an individual, it is difficult to arrive at a solution, as in the case of the "intermittent wiper," because U.S. automakers such as Ford and Chrysler were sued as well. It is not a framework in which the United States and Japan are very much at odds.

In examining recent examples of disputes among domestic automakers, there was one that occurred among three companies over four-wheel drive, including Honda Motors and Toyota Motors. The reason why

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there are so few disputes among domestic makers is that. "It would be terrible if the production line had to stop because of a patent covering a single bolt."

Controls Involving Parts Makers Are Indispensable

Although domestically automobile makers have escaped disputes with U.S. automobile makers. in recent years this situation has changed. An example of this is the case of a U.S. parts maker who sued Mitsubishi Motors for use of air conditioner parts in its automobiles. which infringed on its patent. In these situations. it is common for a subcontractor who produces air conditioners or who assembles them to be named in a suit.

However. when suits occur in the United States. there is a tendency to target companies with the ability to pay damages and patent fees. The possibility is there in the future of disputes arising with automakers as adversaries regarding various parts.

Furthermore. it is conceivable that automakers can become involved in disputes on a par with electronics makers. based on the advances in automobile electronics. notably navigation systems. If this happens. automakers will have to control intellectual property down to the parts subcontractor level.

The Toyota Group Moves Forward in Response

What is pushing forward a rapid response is Toyota Motors. which has a high ratio of patent applications with parts makers. While the company is "fundamentally giving the responsibility to its various parts makers for the patents related to various parts" (Toyota Motors intellectual property general manager [Sumio Kanero]). because they must accept being named as defendants in suits. Toyota has held various conferences as a defensive measure. in order to coordinate the acquisition of patents and the exchange of information with affiliated companies. as the Toyota Group has built its patent control structure.

However. in surveying the automotive industry as a whole. we find that there are many companies that still have not created control systems. The director of the intellectual property department of one auto maker lamented the inadequate recognition of this by top management: "From now on intellectual property control must be done accurately and carefully for the group as a whole. not just within one's own company. In order for top management to recognize this fact. it would be good for them to become involved in disputes to some extent."

Automakers have quickly made their patent applications ratios more effective than other industries. There is not one company that has raised this point as a future issue. Responses to patent disputes involve not only one's own company but affiliated companies and subcontractors. Automakers will handle intellectual property control suitably.

Changing Focus of Electronics Industry Noted

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[Article by Yukio Shimura. president of Industrial Survey Company: ""Electronics Industry Stalling Out Amid 'Technology Saturation'"]

[Text] The electronics industry which was one of the driving forces of the great Heisei business boom is stalling out. The author points out that this is no mere ripple in the business cycle. and there are structural problems behind it.

Lack of Major Wares

The electronics industry. which has been extolled as the leading high-technology industry and has run full tilt along the growth curve as the foundation—along with autos—of our nation's manufacturing industry. has reached the point of falling into a stalled-out condition.

At present. while it attained a high level of 25 trillion yen for the first time in 1991. production by Japan's electronic industry has been held to a growth rate of 4.7 percent relative to the previous year. Moreover. with the Heisei recession ever deepening. a negative growth for 1992 of over 10 percent seems almost certain: and the sense is growing of "Et tu. electronics?" Reflecting on the fact that production by Japan's electronics industry showed a sharp growth of 9.8 percent in the 1970's and 10.8 percent in the 1980's. we clearly are beginning to see the limits to that growth.

A symbolic circumstance indicating that is the abnormality in the silicon cycle. That is also why when we look at the value. relative to the previous year. of semiconductor production which forms the basis of the electronics industry today. we see it inscribing a curve repeatedly fluctuating up and down in a fixed cycle. If we pick out the peak years of this fluctuating curve for the past 15 years. they turn out to be 1976. 1980. 1984. and 1988—a cycle of precisely four years (corresponding to the years of the Olympics and the U.S. presidential elections). underscoring the "four-year cycle thesis" empirically.

In which case. this year should rightfully be a peak year in the silicon cycle. one filled with a sense of prosperity. Yet. the semiconductor market is now right in the midst of a recession. so that there is absolutely no possibility of that. The Data Quest Company and other U.S. market research firms predicted early in the year that it would slip by one year. making 1993 a Peak year: but the fact is that our domestic manufacturers. for whom the chilling of the market is phenomenal. cannot get even that feeling.

It is also a cause for concern that the major wares and top products that have powered the growth of the electronics industry are in a defunct condition. If one looks back on the evolution of Japan's market for consumer electronic equipment. it was radios and tape recorders soon after the war, then black-and-white television in the 1960's, color television in the 1970's, and VTR's [video tape recorders] in the 1980's that built up one great market.

However, the VTR so praised as the big-ticket item in the hopes of home-appliance makers, peaked in 1988 at the 7.15 million unit level on a consignment basis and decreased year by year to the 5.21 million unit level in 1991. High-definition television, being watched as the big-ticket item after VTR's and the last big-ticket item for the 1990's, is now at last beginning to move upward; but it is not moving as fast as expected because it faces the dual barrier of market needs and price.

The computer market in which large, multi-use equipment was the main force has been swept by waves of downsizing and is shifting steadily toward an era of leadership by small computers, typified by personal computers and work stations. Yet, even the personal computer market in which a double-digit annual rate of expansion was the conventional wisdom has rapidly worsened since the second half of last year; and domestic consignments for that year recorded negative growth of 3 percent in value and 8 percent in quantity compared to the previous year. That is the first time that both value and quantity have fallen below the previous year's, and that tone has not changed going into this year.

When we see it this way, the current recession has dealt a direct blow to an electronics industry that was viewed as a "perpetual growth industry" and is enforcing stagnation, inactivity, and deceleration such as has not previously been seen.

Of course, some consider such subsidence to be a temporary phenomenon and expect a recovery of growth as the economy recovers. It may indeed go that way when we reflect that a all-out plunge into an information society would stimulate industry's investment in information technology and would tie into an expansion in individual expenditures related to information.

However, some darkening—slight as it is—can be seen in the growth of our nation's electronics industry as it faces the 21st century. In the context of its dynamism becoming lost, one must not lose sight of the fact that there are more structural causes, including the market and technological environment. I would like the following to be an aid to analyzing such problems, especially from the aspect of technology, and to considering how things should be henceforth.

Phenomenon of Technological Saturation

The current recession in electronics, as expressed in the terms audiovisual recession, personal computer recession, and semiconductor recession, has seen a surging collapse of a market that was the core of Japan's electronics industry. Japan Victor, which swept the world VTR market with its famed VHS, was forced to take an operating loss amounting to 21 billion yen in this fiscal year's balance, while its taking the bold course of cutting staff by 2,400 persons well describes its situation.

Behind the fact of these core industries all facing extremes of stagnation is the unmistakable reality of market saturation.

As one example, the direct cause of stagnation in the personal computer market is the fact that, with the ongoing ebb in the business cycle, industries making up 70 percent of the demand for personal computers have deferred their purchases. Especially in the middle of last year, financial and securities firms that had played the role of driving demand so far set out to cut back on investments in information technology. Then, in the latter half of the year, all kinds of industries other than the distribution and public-sector industries followed suit. The usual practice that "when business turns bad, the first thing to be reviewed is advertising costs and investment in information technology" was put into practice here, too, under the justification of recession countermeasures.

Still, one more thing that can be said is that this reduction in information technology investment is caused by a temporary deferral due to recession countermeasures and is being sustained by market saturation due to a round of investment or a reduction in demand. Speaking to that are such user remarks as "the present system will be adequate for some time for doing our present work," or "rather than investing in new information technology, we must first resolve how to recover our huge past investment." If we consider that where once in periods of recession it was investment in information technology instead which became active as a powerful measure for rationalization investment, one could say that the information environment in which Japanese industry is situated has matured to that extent.

Underlying market saturation is the phenomenon of technology saturation.

Speaking of the example of personal computers, some 80 percent of the machines moving in the present market are 32-bit machines. Before, personal computers were 8-bit to 16-bit machines but then went all out into 32-bit machines as the superior equipment. Each time rising capabilities were linked to market expansion. While the possibility remains hereafter of a shift to 64-bit equipment, on the hardware front limits in functions and standardization between equipment types cannot be avoided; and only software is showing up as a "difference" in the competition over development.

The phenomenon of technology saturation is undeniable even in the semiconductor field which has achieved technical innovation in "painfully slow steps." As for DRAM [dynamic random-access memory], since America's Intel Corporation brought the one-kilobit (K = 1,000) product onto the market in 1970, it [the DRAM] has attained big quadruple capacity increases each time. Now, having plunged into the 1990's, it is in the megabyte (M = one million) era, and early in the 21st century it will break into the gigabit (G = billion) era. The problem is that, whereas up to our entry into the megabyte era the time needed for a shift in generations was about three years (the so-called three-year quadrupling rule). in moving from here into the gigabit era the time lag for each shift of generation will widen to four or five years.

In actuality, with the 1M and 4M chips in current use it takes three to four years from development of the requisite technology to settling on the mass-production processes and another year or two to get the product out. By contrast, with the 1G chip, projected to have its development completed in the latter half of the 1990's and to go into mass production early in the 21st century, it will require six to seven years to nail down the mass-production processes and 10 years when one includes the steps to get the finished product. If one is trying to get finished products by 2000, it is already too late if work to develop the requisite technology has not begun. To that extent, the technology has neared a state of saturation; and delays in the rate of technological advance must also arise.

Looking back, we see that the technical innovations forming the basis for today's electronics industry—the transistor, IC [integrated circuit], computer, and laser—were all invented in the period from the late 1940's right after the war through the 1960's. The seeds of these innovative technologies, while producing continuous or noncontinuous development, contributed to development and expansion of the industry, but now—near the end of the century—are finally starting to show signs of attaining full development.

Five "Overextensions"

Just as the trigger for the Heisei recession was the collapse of the bubble economy, would it be overstating the case to say that one cause of today's stagnation in the electronics industry is the "overextension of technology"? Product development heretofore had as its main themes emphasis on function, pursuit of mass production, and securing market share, even while a number of manufacturers developed fierce competition in development. But, that caused the delivery of "artificial products" for show only and "white elephant merchandise" for which there was no need, creating the factors that brought chaos and stagnation to the market. in essence, technology is for enriching human life; but its "anti-humanity" is about to supplant its "pan-humanity."

For some time, I have categorized such uncoordinated merchandise development in the high-technology field into [technology] that is 1) baroque, 2) complex, 3) mismatched, 4) over-technical, and 5) unreliable, and I call it "the five high-tech sins" or the "high-tech syndrome" (See SHUKAN TOYO KEIZAI, 7 March 1992).

What I call "baroque" here I got from the thesis, "Military technology = baroque technology" by British economist M. Caldore. It means something like the "fussy ornateness" typical of baroque architecture. He bitingly pointed out that, in the process of weapons development, high-tech features are added one after another without regard to expense; but overly detailed competition in development results in "elaborate technical systems unrelated to the form originally intended. Baroqueness sometimes invites "complexity" of the product itself, so that operability and practicality are much impaired. Furthermore, that produces a gap between merchandise development and user needs, becoming a major cause of "mismatching."

Yet, such baroqueness is not unique to military technology. If we look at one of the few recent hit products, the cordless phone with its automatic answering, memory dialing, call waiting, and call forwarding features and all sorts of secondary, unnecessary, and non-essential functions—even a TV remote control function and water resistance—the result is that it is difficult to use. It was perhaps because the importance of returning to the starting point in product development had appeal that there was such talk when Sharp started selling its "simple cordless" telephone with only the 12 keys needed for dialing plus two function buttons.

The situation is the same with VTR's, where, as a result of the manufacturers' competition in adding functions, operating them has become difficult. It cannot be denied that this was a reason for consumers turning their backs on them. I recall that a top executive of a major home appliance firm said, "I am in the position of building VTR's, but my wife cannot program a VTR for later recording." Home electronics makers must answer the question of why use-and-discard cameras are selling now.

On the other hand, as a phenomenon unique to the high-tech field, the evil of "over-technologizing" is also conspicuous.

The slump of 4M products in the DRAM market is a good example of that; and the eagerness of the makers "to fight it out with this chip" was sadly frustrated by the realistic logic of users that "for our products a 1M capacity is enough." According to the makers of personal computers, in the case of personal computers with a 1M main memory device, when they changed over from 32 256K units to eight 1M units, it had the effect of shrinking the board area from 10 centimeters square to five centimeters square. However, in going from eight 1M units to two 4M units, the effect is not necessarily so large. Increasing the capacity of the memory chip does not simply end with a quantitative change in the chips, but brings qualitative changes also in the aspect of applications. But, depending on time and circumstance, the path to applications will be closed in terms of overtechnology.

Furthermore, in speaking of Japanese electronic products, "high quality at a low price" has been the accepted custom; but the quality has gotten a bit odd lately. There have been a series of incidents in which television sets, VTR's, and home computers have caught fire due to short circuits, and homes were totally gutted. It means that in place of "the safety legend" they have "become unreliable."

Clearer, behind those fires lies the manufacturers' undue competition in development. It is often said that of home electronics and office-automation equipment manufacturers, in order to offer the consumer something novel and to expand their market share, do development and design in six months, production in three months, and marketing in three months, so that the product cycle is complete in a total of one year. I call this the "6-3-3 product development system." But, with such short cycles, strains and oversights are sure to arise in the design and manufacturing stages and these become the triggers bringing on the accidents. Given this, we cannot laugh about such things as "Moscow's TV sets burn well."

Turnabout for Technology Development

In the above I have dealt with the maturation phenomena of the Japanese electronics industry as a structural problem and sought to analyze their main problems, especially from the technical side.

In order to escape from such bottlenecks, nothing is more crucial than working out a harmonization between technology and the people and society who use it. Technology's sophistication and diversification sometimes creates a divergence from user needs and estranges people and society from technology.

In his monograph *Megatrends*, American futurist researcher John Naisbitt, whose pet theory is "high-tech/high-touch," states, "Whenever new technology is introduced into society, there is always a human response seeking to restore the balance—that is, 'high-touch'—without which, technology is rejected."

As one means to achieve that in moving toward the year 2000, we must expedite a conversion from technological development based on "function" to technological development based on "human beings." We may call that human technology or technology with sensibility. More concretely, there are technologies that measure human senses, technologies appealing to the senses, technologies conveying sensations, technologies that support and substitute for human capabilities, and so forth. Let us say they are characterized by focusing on such human requisites as ease of use, comfort, bringing peace of mind, psychological latitude, and healthfulness.

Electronic technology, whether in fuzzy or neuro computers or in virtual reality technology, is a core technology for advancing such technological development; and its role hereafter will surely grow stronger, not weaker.

Finally, a word about how Japan's technological development should go. Today, most of the products of which Japanese makers are so proud were born in Europe and the United States, while Japan worked on and improved them to make them into fine merchandise. We are weak on the "what" of what is to be made, but strong on the "how" of how to make things. However, considering that trade friction and technology friction with the nations of Europe and the United States are becoming ever more overheated, we see that our dependence on foreign nations for the seeds of technology is reaching its limits. We should be bringing an end to "the era of technology transfer and copying," including basic research, and should open the door to "an era of creativity."

[Boxed item: Yukio Shimura, president, Industrial Survey Company. Born 1935. Graduate of education faculty of Waseda University. Research on advanced technology and comparisons of international technology. Author of such works as *Conditions for the Creative Technologist* and *The Semiconductor Industry in the Year 2000.*]

Mongolia

Operation With Russian Militia Traps Criminals

OW2411022792 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1943 GMT 23 Nov 92—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, November 23 (OANA-MONTSAME)—In 10 months of this year 10,126 crimes were committed in Mongolia, which is considerably more than in the previous year. The number of crimes of Mongolian citizens committed abroad is growing. With liberalization of departure of Mongolian citizens a great number of Mongols go to different countries, first of all to the neighboring countries. It turned out that among them there are some criminals who found "a golden lode" abroad shaking out pockets of their compatriots. Mongolian police with close cooperation with Russian militia have conducted an operation under a title "Beyond the Frontier," as a result of which 37 persons—leaders of gangs of criminals—were arrested in Russia. During this operation a certain Ts. Altantsog who was on the list of "the Interpol" search was also arrested. Mongols have committed 160 crimes in Moscow only this year. The basic mass of criminals has settled down in Poland. And, apparently, the route and point of the next operation will be Warsaw.

Credits, Aid Account for 30 Percent of Imports

OW2411014692 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 2005 GMT 23 Nov 92—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, November 23 (OANA-MONTSAME)—By 1 November external trade circulation of Mongolia this year amounts to 590 mln [million] U.S. dollars. Share of export in it—280 mln U.S. dollars; that of import—310 mln U.S. dollars. Credits and gratis assistance of donor-countries and international finance-economic organizations, which make up about 31 per cent of its total volume or 73.3 mln U.S. dollars credits and 22.6 mln U.S. dollars humanitarian aid, are included in the import showing.

Letter Sent To MPRP Leadership on Strike

OW2411012292 Ulaanbaatar MONTSAME in English to BAKHTAR Kabul 1958 GMT 23 Nov 92—FOR OFFICIAL USE ONLY

[Text] Ulaanbaatar, November 23 (OANA-MONTSAME)—The General Council of the Mongolian National Democratic Party (MNDP) has called on the Mongolian People's Revolutionary Party (MPRP) to empower the government which should realize the MPRP pre-election platform to hold talks with the representative committee of the education system workers being on strike, as the teachers' strike worries not only teachers themselves but children and their parents. Measures on solution of their problems should be taken. This is said in an open letter of the General Council of the MNDP to the leadership of the MPRP published here. In the document the MNDP also condemns some members of the Mongolian parliament and the government in connection with their statements characterizing the strike "as illegal and a moral action." [sentence as received] In the view of the MNDP, those on strike are demanding to redeem a pledge to increase salaries, pensions and allowances by 0.5 percent with the increase of prices by 1 per cent in accordance with the pre-election program of the Mongolian People's Revolutionary Party.